



# NATIONALISM AND SELF-SUFFICIENCY

A CRITIQUE OF INDIA'S ECONOMIC FORTUNES

BY DR. LANKA SUNDARAM, M.A., PH.D (LONDON)

Sometime Scholar of the Hauge Academy of International Law and Collaborator of the League of Nations; Formerly of the Department of Politics and Economics, Andhra University; Editor, COMMERCE & INDUSTRY, New Delhi; Author of *India in World Politics*; *A Secular State for India*; *Indians Overseas etc., etc.*

RAJKAMAL PUBLICATIONS  
DELHI

1944

---

---

Copyright, including rights of reproduction and translation,  
strictly reserved by the Author.

---

---



---

Copyright, including rights of reproduction and translation,  
strictly reserved by the Author.

---



## CONTENTS

	Page
Chapter I. PATRIOTS ARE UNASHAMED ...	1-20
Chapter II. DEATH OF FREE TRADE ...	21-57
Chapter III. NEW CLOTHES FOR OLD SLOGANS ...	58-93
Chapter IV. PRICE OF SURVIVAL ...	94-113

## CHAPTER I.

### PATRIOTS ARE UNASHAMED

a people like us, who for long centuries have denied even the basic elements of freedom, individual and community freedom, nationalism synonymous with patriotism, despite what Comrade Roy might say to the contrary.\* Right through the ages, the freedom of the individual was a cardinal principle of approach to life and living. In Hinduism sought to preserve during all the vicissitudes of fortune which it was subject to. It did not suggest that, under its later excrescences, Hinduism did not come to be dogma-ridden, losing in the process this attachment to the liberty of the individual, with the result that a hierarchical form of society was brought into being, which denied to every mere man the right to live as he chose, and subjected him to the shackles of a society which was dominated by caste. If I am not mistaken, the fundamental way of life sanctified by Islam was, and even today is, the canalisation of individual

\*The following are two specimens from the hundreds of statements made by Comrade Roy and his co-adjutors, discrediting Indian patriotism during the recent war years.

"The defeat of Nationalism is the condition precedent for Indian freedom. Because, Nationalism is inspired by the tradition of negation of freedom. In contemporary India, freedom is not even an ideal. Therefore, the problem of freedom is so very complicated."

—VANGUARD, Delhi, August 14, 1944.

".....we have rejected the antiquated cult of Nationalism. We no longer have the religion of patriotism. We want to strike at the root of



liberty into the liberty of the community, with the result that the individual and the community became more or less merged into some sort of a composite personality. To the extent to which the community enjoyed liberty, the individual in Islam freely participated in it.

Thus, the twin traditions of Hinduism and Islam in India had always been, and continue to be, an emphasis on individual and community freedom of action correlated to each other by a host of silken bonds of co-operative living, even in the face of the greatest possible provocation, and in spite of some ugly incidents marring the equanimity of the people. It is really a sight for the gods to see, and the mere man to appreciate, that in the sylvan surroundings of India's countryside, the Hindu and the Muslim, forgetting the fratricidal wars preached to them by the starving educated unemployed co-religionists of theirs, move about in the harmony of glade and glen, and live as the proud, contented inheritors of a country, which only awaits the achievement of freedom through their joint efforts. Indians in the mass belong to the Earth, and are earthy. Irrespective of religious traditions, the Indian venerates the Earth, feeds it and feeds on it, with the result that his freedom, his nationalism and his patriotism, are co-equal with the freedom of the Earth, which his forefathers

have valiantly sought to preserve against the onslaughts of the enemy from without the territorial borders of the land, and which his successors will continue to preserve for all time. If I am not mistaken, again, the demand for *Pakistan* by some of the Mussalmans of India is but an exaggerated emphasis of the love of the average Mussalman for the Earth—the Mother Earth. I am not concerned here with the political implications of this exaggerated emphasis by some of the Mussalmans of this country to the portions of the earth in which they predominate, but the love of the country has always been and will ever continue to be the equivalent of the freedom of the community and of the individual, be he a Mussalman wanting his *Pakistan*, or a *Sanatani* Hindu demanding his *Akhand Hindustan*.

Comrade M. N. Roy has, with the earlier halo of radical revolutionary activity, been for two decades something like a new prophet to thousands of Indians, young and old, and today Comrade Roy has elected to condemn nationalism as being the equivalent of fascism. In fact, he has been carrying on an unrelenting campaign of vilification against the nationalism of the Congress, and he chooses to call this nationalism the National-Socialism of the Nazis of Germany. I have no quarrel with Comrade Roy in his thesis of what he calls the obscurantism of Mahatma Gandhi and the "clay feet" of Pandit Jawaharlal Nehru's socialism of the more recent days, but it is a tragic fact that, with the doubtful sustenance of what I may call a Gilbertian idea of Communism, Comrade Roy today wants us

and the world abroad to believe that Indian nationalism is the equivalent of the *thuggee* of the fascists, with the result that it is painted as the most heinous type of national, emotional living, which had better be eschewed by the people of the land. In fact, unless I deliberately do grave injustice to Comrade Roy, the thesis has been sought to be sedulously propagated, particularly among the younger sections of the educated people, by the Radical Democratic Party of this country, that nationalism or patriotism is a sinful thing, and that the only way for our survival as a people is to forget ourselves and get lost into the whirlpool of romantic internationalism, which is based upon a theory of socialisation of property in which there will not be the possessor and the unpossessed. During the five years of the present international war, I have witnessed numerous leaders of the people indulging in a *volte face* of the most ludicrous type, but nothing is comparable to the ugly and ruthless manner in which Comrade Roy and his handful of co-adjutors have literally sold out to the Government, and commenced the vilification of all that is considered precious in the life and living of a people and a country, to liberate which countless numbers of patriots have sacrificed their all during the past half a century in particular. But I will let pass this examination of political mercinarism in our country's public life during these abnormal war years, which has blurred the essential differences between ideology and the art of successful living.

It is, however, sheer lunacy for anybody in India to jump into the whirlpool of international socialism, when the liberty of the individual, both under the impress of religion and the political domination of a foreign power, has been so thoroughly destroyed as to prevent us as a people to rise to the recognition of our freedom—individual, community and territorial. I confess I was most thrilled, in my time, by the seeming realities of romantic internationalism and international socialism, as represented by world activity focalised at Geneva by the League of Nations and its supporting organisations, and at Amsterdam by the International Federation of Trade Unions. I was almost transported to ethereal regions when I interviewed in 1930 the last surviving European link with the Dukobars of Saskatchewan, the late Paul Birukoff, who was a witness to the will of Tolstoi. I derived considerable strength in my individual approach to the problems of life and living belonging to my country, when the late Albert Thomas of the International Labour Office used to put in a word or two about the glorious socialist future of this country. Indeed, one of his last letters to any one was to me, in which he affirmed his personal faith in the future of this country, which he so sincerely wished to visit, but could not owing to his premature death. I spent days together sitting at the feet of the judges, obviously with delectation, watching the Permanent Court of International Justice hearing the appeal of the Council of the League of Nations, and

giving the advisory opinion that the Austro-German Customs Union was *ultra vires* the Peace Treaty, thus seeking to re-establish the *regime* of international law, on what precarious basis I know now ! I was in Bangkok when the Siamese revolution resulting in the dethronement of King Prajadhipok was actually under way, and I saw the people of Indo-China fighting for freedom from Metropolitan France (of Liberty, Equality and Fraternity fame !) in the face of virtual martial law, long before Mussolini's rape of Ethiopia led us on to the present war. I was personally interested in the liberty movements of half a dozen countries, and could not help knowing something of the pre-war anarchist activity in Amsterdam and Madrid. For nearly two decades I wrote and spoke in dozens of countries in two continents, in favour of internationalism, as no one, at any rate any Indian of my generation, ever did, pleading for internationalism and for a place for India in the world based on honour and equality.

But, today going through the crucible of the struggle for freedom for my people, I have come to recognise that romantic internationalism in its approach to the problems of the life and living of the individual and the community in this land, only pleases the senses and leaves us cold. It is not suggested that the pace of social reorganisation and reconstruction in this country, based upon concerted international activity, should be retarded. On the contrary, it has been my fundamental thesis during all my adult life that, unless social justice be laid down from precedent to precedent in our country

neither the liberty of the individual as sanctified by Hinduism, nor the liberty of the community as provided for by Islam, will be worth anything. My internationalism is a subordinate agent of my nationalism, meaning thereby that my adherence to a world system, based upon a *regime* of social justice as between the different peoples of the world, must subserve the specific needs of my country and my people. In fact, international romanticism and socialisation of the world as a whole have no meaning for me, in relation to their import to this country, until I obtain the right to feed the Mother Earth and to be fed by her, untrammelled by any outside agency. My nationalism, as the nationalism of any other single individual in this country, be he Hindu or Muslim, is based upon my right to get the most out of the Earth which belongs to me. In fact, my nationalism is my patriotism, which presupposes the freedom of the country, involving without any doubt the freedom of the individual and of the community, whatever might be the temporary expedients resorted to by groups of people in this land to apportion among themselves the proceeds of the Earth which gives them all the sustenance they are entitled to.\*

One of the most astounding facts of the present

\*Before the Bombay talks failed in September 1944, Gandhiji offered the *Quaide Azam* partition of India, as between two brothers to a patrimony. I am unable to follow the dialectic of partition as between brothers *vs.* the *Pakistan* partition.

It is more than likely that the leaders to the Bombay talks were using their political counters to the best possible individual advantage. But I know that these counters are temporary expedients, which will not solve the problem of India.

century is the development of romantic internationalism, based on the foundation supplied by the theory and practice of nationalistic states and nationalism within clearly defined territories in various parts of the world. A statement like this might look a trifle contradictory and even inconsistent, but judging, at any rate, from the record of the League of Nations during the inter-war period, it is clear that internationalism was but the distillation of a multi-coloured nationalism which had dug its roots into Mother Earth in every corner of the globe. The late Aristide Briand's European Union was never found to be inconsistent with the basic idea of the League of Nations. Even for that matter, American isolationism and the pan-American Conference (evolving a new Monroe Doctrine for the entire Western Hemisphere) flourished side by side with the League of Nations at Geneva. Despite protests from every corner of the globe to the contrary, the British liberal and idealist always wanted us to believe that their Commonwealth and Empire, including millions of suppressed peoples like us, is but a League of Nations in miniature, functioning on a smaller territorial basis as a type of human organisation, which transcends the insular nationalism of individual territories, but which still transfuses it into a broader system which is only one step away from the internationalism of the League of Nations. This was what Sir Stafford Cripps said in 1939: "On the basis of right, justice and principle, I should have thought nobody could have denied that India today is fully entitled to take

government. What answer have we to give now to that demand, admitting, as the Governor-General fully admits, the competence of Indians to govern themselves, unless it be that our selfish desire to continue the exploitation of India as part of our Imperial monopoly, is to override our conception of right and justice." But two and a half years later, his ill-fated mission shook our faith in even socialist protestations from Britain. I have myself advocated, even fifteen years ago, the need for the organisation of labour on a regional basis and the convocation of an Asiatic Labour Conference, which, today at any rate, we are within sight of having, through one of the decisions of the Philadelphia Session of the International Labour Conference of 1944.

As I have said, the tangled skein of romantic internationalism of the inter-war period, is based upon a specific recognition by people the world over of the need for individual nations and countries functioning as groups and territories, whose forth-right individual needs must be met before they are linked up with a world system. This is the meaning of the liberation of Iraq and her admission to the League of Nations. This, again, is the basis on which Siam shook off the *regime* of Capitulations and became a member of the international community on a basis of perfect equality with even the bigger Powers. Turkey, after the destruction of the Ottoman Empire, and Egypt, after the elimination of the Khedive, sought to reorganise themselves on the basis of a strong nation State. though there is a world of difference even today between the



sovereignty of the Egyptian kingdom, subject as it still is to the remaining shackles of the Canal Capitulations which have now tapered off into military and semi-military arrangements giving both the United Kingdom and the U. S. A. powers and extra-territorial rights hardly ever imagined by the late Zaghlul Pasha, and the sovereignty of the people of Turkey which is the legacy of Kamal Ataturk.

Nearly twenty autonomous, fully sovereign, extremely patriotic, and even deliberately chauvinistic states emerged from the last Great War and constituted the European system of the inter-war period, and it is one of the curiosities of historical development in modern times that Latvia and France, Estonia and Italy, Lithuania and England, sought to function at Geneva, not as the lion and the lamb in a spurious pact of imaginary equality, but as the glorious participants in a *regime* of romantic internationalism, which has invaded us in the XX century, with a terrific impact not easy of being shaken off even by the most ardent nationalist in our midst. The internationalism of the Indian patriot upto the outbreak of the present international hostilities was a typical example of a myopic man's unheeding plunge into the whirlpool of international activity, without even first realising the need for national independence. But this internationalism, as is also the internationalism of an individual like the present writer, was and is motivated by what may be called an almost stoic indifference to the choking grip of a foreign master, which does not allow us to experience perverted nationalism, and

by a desire to sortie out into the regions beyond our country in order that something like a boomerang effect might be achieved, bringing back to us the blessings of a nationalism *via* the agency of internationalism. That is to say, at any rate as far as Indian nationalism of the XX century is concerned, it is the reflex effect of the participation by educated Indians in a *regime* of romantic internationalism, and I would not be far wrong if I say that the Indian nationalism of the present day is almost a negative quantity based, however, on a unique type of Earth-worship, without conscious effort on the part of one and all to make it a live and potent instrument in our hands to win freedom for the country and freedom for the people. I would go even one step further and say that nationalism in India of the past seventy-five years has been, at all events, the reaction to the nationalism preached by Mazzini, Garibaldi and Cavour in Italy, Sun-Yat-Sen and Chiang Kai-Shek in China, and Kamal Ataturk and Zaghul Pasha in Turkey and Egypt, the internationalism of Gorki, Trotski and Lenin in Russia, and even for that matter (and, in parenthesis, this is the most extraordinary contradiction indeed!) the new Imperialism of the successors to the Mikado since the Port Arthur incident at the dawn of the present century.

This was the goal of Sri Aurobindo and the *swadeshi* movement, and this was the basis for the Gandhian philosophy of the political action during the inter-war period. There are inconsistencies in the nationalism of the individual, as in the nationa-

lism of the community or the State. The nationalism of the individual is a product of a carefully devised, though not apparently properly realised, system of poise and counter-poise of insistent personal interest against that of the family group, the community, the nation and the world beyond. In fact, even the patriotism of the highest of the high among the patriots of this country today is but precariously perched upon this system of poise and counter-poise. Small wonder that the nationalism of a State, however, pristine in its character and unsullied in its approach, is but the projection into an international system on a basis which, at its best, is motivated by self-interest. My nationalism makes me demand all that is best in the world for myself and my fellows in my country, without (and this is the most striking thing about nationalism proper in any part of the world) injury to the interests of peoples living in countries beyond my own territorial borders. This fundamental contradiction between downright nationalism and romantic internationalism is something which has never been studied in its empirical aspects, as it should have been, with the result that a student of world affairs is bound to rush into confusion about the emergence, during the last inter-war period, of a faint approach to an internationalised India, and to a State-system based upon the voluntary submergence of the individual sovereignties of the countries and peoples supporting the Geneva world system. This, again, might lead him to project into the future, and to build up a new Utopia

of a world State and community under the leadership of the United Kingdom and the U. S. A. out of the shambles of the present international holocaust. To my mind, this sort of unthinking deduction from contemporary history is most faulty, and is certainly injurious not only to the individual interests of the countries concerned, but also to their collective interests. It is not suggested that any country can live in isolation from the rest of the world. Intercourse, whether it be cultural, commercial or even political, is bound to exist, as it always had existed right through the historical times, the only thing troubling the statesmen entrusted with the task of organising national and international life at any given period being the manner in which insistent nationalism in individual areas is correlated to the internationalism of all.

The Amphyctyonic Council of the Greek City State, the Holy Roman Empire of the medieval period, the Hanseatic League and the Zollverein, the mercantilist school of thought and economy propagated by England in the XIX Century, the Council of Ambassadors which sought to regulate European affairs in the period covered by the triumph of Bismark, the League of Nations as known to us in the inter-war period—these are some of the various and varying phases of the development of internationalism out of the ingredients supplied by nationalism the world over, and if today I venture to hazard the opinion that all these efforts of the past and the present are nothing but the manifestations of the struggle for domination over the rest,

of individuals and countries at respective historical periods, through the principle and practice of the Balance of Power. I might look slightly out-moded and even grotesque. But, what were these covenants, pacts and arrangements? In a sense they were attempts at the transfusion of the strongest possible forces of nationalism even into something like a woolly type of internationalism which certainly appeals to the intellect, for man had always been known to respond to the higher instincts whenever they were thrown into refreshing relief, either by his own endeavours or by those of his compeers. It would be historically correct to state that Napoleon and Bismark definitely had their own internationalism, but internationalism of a type which did not commend itself to the rest of the world. Indeed, Hitler and Tojo have their own internationalism at the present time, meaning thereby the domination of vast regions of the world by Germany and Japan in a manner which would ensure their predatory primacy within those regions to begin with and, later, in the countries beyond, though unfortunately for them these ambitions are not to be realised. This, again is the basis of the internationalism of Winston Churchill, who refused to preside as the King's first minister over the liquidation of the British Empire and Commonwealth today or even tomorrow. This is the basic approach to world problems propounded by British thinkers and pro-consuls like Milner, Lugard, Curzon, Lothian, and Hailey, with the result that ideas like the mandates system, trusteeship by the White or

the fortunes of the coloured people (the White Man's Burden, which should have been actually the Black ' Man's Burden), and paramountcy of the interests of the indigenous inhabitants of countries under the domination of Imperialist Powers, have come to invade the realm of clear thinking. This, in any case, is the basic foundation of the Atlantic Charter, which is sanctified by the joint endeavours of President Roosevelt and Premier Churchill, and denied to the suppressed peoples of the world.

I do not know what shape internationalism would take after the conclusion of the present international hostilities. That is to say, whether a streamlined, supercharged League of Nations would come to function after peace under the domination of the United Kingdom, the U.S.A. and the U.S.S.R. is a matter of detail. But it is clear that either it would be a system based upon a co-equal contribution made by all the Allied Powers, or a system purely dominated by Anglo-American diplomacy and self-interest, in which principles of antagonism between the Anglo-American way of life and living and those of the Soviet way are visible even at this date. There is bound to be some sort of internationalism, meaning thereby a revived form of Balance of Power, with the instruments of control vested in the hands of the Victor Powers, which would emerge from the conclusion of the present international hostilities.

I would like to believe that, when the present international hostilities cease, a new world order would come into existence, in which every country

and nation and people in the world would have equal opportunities for forming and directing an international system, on the basis of the completest possible form of equality, though I must confess that a peep into the brain-caps of the statesmen of the Allied Powers, flushed as they are with unmistakable signs of Victory, does not convince me that this much-wished for system of international activities, based upon a system of political justice for all, would ever become evident. Even before Victory is achieved, the greatest possible emphasis is bound to be given to the contradiction of economic and political interests as between some of the Allied Powers themselves, *e. g.* the United Kingdom, the U. S. A. and U. S. S. R. That is to say, political and trade rivalries as between these countries, with reference to the liberated territories of North Africa and Italy and the former States to the east of Prussia, which have already been given full rein, would continue after Peace. I am loth to imagine that in the near future a terrible conflict is to be waged between the Imperialism of the United Kingdom and the U. S. A. on the one hand, and the now indistinct internationalist communism of the U. S. S. R. on the other. But with the emergence of Peace, some sort of international organisation must necessarily come into existence, and if at all it comes into existence I have not the least doubt that a new *regime* of Balance of Power would be enthroned on a high pedestal, supported by the armed might of the big Power.

In this eventuality, the question must be posed and answered, what would be the position of com-

tries like India in regard to their political and economic future ? The Atlantic Charter and the United Nations Relief and Rehabilitation Administration have been specifically formulated with a view to salvaging the submerged States of the European Continent, and there cannot be any doubt that after victory is achieved, Poland and France, Latvia and Greece, and the entire series of big and small States in Europe would be assisted to rebuild their political and economic systems, firstly under the tutelage of their bigger neighbours among the Victor Powers, later on perhaps under a *regime* of European collaboration, and finally under the auspices of a world system, on a model not very dissimilar to that of the League of Nations of the inter-war period. But the question remains: what would be the future of those countries in the world which have had their political and economic liberty and freedom impaired, or which, at any rate during the past century or two, have had their freedom completely denied to them ? When posing this question, I have in my mind the political and economic future of countries like China, Thailand, Egypt, Iraq, Iran and Syria, to mention a few at random, which belong to the first category of countries with their political and economic rights greatly impaired. Secondly, there are questions pertaining to countries like India, the vast territories of the African Continent which were parcelled out among the European Powers of the Imperial system prevailing in the inter-war period, Burma, Malaya, Fiji, the West Indies, and, even for that matter, the Negro population of the U.S.A.,



and nation and people in the world would have equal opportunities for forming and directing an international system, on the basis of the completest possible form of equality, though I must confess that a peep into the brain-caps of the statesmen of the Allied Powers, flushed as they are with unmistakable signs of Victory, does not convince me that this much-wished for system of international activities, based upon a system of political justice for all, would ever become evident. Even before Victory is achieved, the greatest possible emphasis is bound to be given to the contradiction of economic and political interests as between some of the Allied Powers themselves, *e. g.* the United Kingdom, the U. S. A. and U. S. S. R. That is to say, political and trade rivalries as between these countries, with reference to the liberated territories of North Africa and Italy and the former States to the east of Prussia, which have already been given full rein; would continue after Peace. I am loth to imagine that in the near future a terrible conflict is to be waged between the Imperialism of the United Kingdom and the U. S. A. on the one hand, and the now indistinct internationalist communism of the U.S.S.R. on the other. But with the emergence of Peace, some sort of international organisation must necessarily come into existence, and if at all it comes into existence I have not the least doubt that a new *regime* of Balance of Power would be enthroned on a high pedestal, supported by the armed might of the big Powers.

In this eventuality, the question must be posed and answered, what would be the position of coun-

tries like India in regard to their political and economic future? The Atlantic Charter and the United Nations Relief and Rehabilitation Administration have been specifically formulated with a view to salvaging the submerged States of the European Continent, and there cannot be any doubt that after victory is achieved, Poland and France, Latvia and Greece, and the entire series of big and small States in Europe would be assisted to rebuild their political and economic systems, firstly under the tutelage of their bigger neighbours among the Victor Powers, later on perhaps under a *regime* of European collaboration, and finally under the auspices of a world system, on a model not very dissimilar to that of the League of Nations of the inter-war period. But the question remains: what would be the future of those countries in the world which have had their political and economic liberty and freedom impaired, or which, at any rate during the past century or two, have had their freedom completely denied to them? When posing this question, I have in my mind the political and economic future of countries like China, Thailand, Egypt, Iraq, Iran and Syria, to mention a few at random, which belong to the first category of countries with their political and economic rights greatly impaired. Secondly, there are questions pertaining to countries like India, the vast territories of the African Continent which were parcelled out among the European Powers of the Imperial system prevailing in the inter-war period, Burma, Malaya, Fiji, the West Indies, and, even for that matter, the Negro population of the U.S.A.,

which certainly never enjoyed even the semblance of freedom.

The problem must be squarely met in the face, viz., whether these countries and peoples must be lost in a mad appreciation of intellectual internationalism, even the internationalism of Comrade Roy, or whether they are to make efforts for their own rehabilitation in any world system with a view to enjoying the essentials of liberty and freedom. I have met communists and even *petite bourgeoisie* socialists in this country during the five years of the present international hostilities, who were more concerned with the fate of the U.S.S.R. during the pregnant years of 1942 and 1943, than with the then equally urgent realities of the Indian political and economic system so completely controlled from without by the United Kingdom and even by the U. S. A., on the specious argument that wartime necessity knows no bounds, and that a subject country like India must allow herself to be regimented in a manner which would faithfully subserve the needs of the Allied Powers. In fact, I have come across quite a good number of individuals who would rather have died for the defence of Moscow than for the liberation of their own Mother Country, who would be ashamed to confess in public that they love their country, and who would do nothing to make their country a citadel of liberty, freedom and sovereignty, both for the individual and the people alike.

The average Indian mind is susceptible to the infection of a beautifully formulated ideal for humanity, even though such an ideal may not

possess any substance at all. It is thrilled with the titillating cadences of a finely modulated phrase or slogan, which are capable of tickling the emotions even in the faintest manner imaginable. It reacts with admirable precision to any world programme, provided the enunciator has the halo of a Rousseau, a Tom Paine, a Tolstoj or a Gandhi. But, how far this exultation of the Indian at the altar of jejune internationalism or romantic intellectualism would obtain for this country the basic ingredients of a life of plenty and freedom, both for the individual and the community alike, is a question which, apparently transcends the comprehension of these amateur and imbecile minds which, unfortunately for us, are not too few to be ignored. Alike in the sphere of politics as in the spheres of industry and culture, I have to reckon in this country with an avalanche of supine internationalism which might, unless protected against, submerge me and my country, in a manner that it would be next to impossible for us to rise again to preserve what belongs to us and what ought really to belong to us today and tomorrow. I have an abhorrence of internationalism of this kind, and I have no doubt in my mind that countless millions of people, to whom freedom, real effective freedom, both political and economic, is an unknown quantity, have a similar abhorrence of this internationalism which, like a false siren, deliberately set up by our masters, is luring the unwary away from their post of duty.

I have no place in my scheme of things for an internationalism which denies to me the right to

my nationalism, Contrariwise, if at all I can afford the luxury of internationalism, it is only with a specific guarantee that no detriment is done to my nationalism which, as I have indicated earlier, is the equivalent of my patriotism, meaning thereby my right to feed and to be fed by that portion of Mother Earth which belonged to my forefathers, which rightfully belongs to me, and which must certainly belong to my progeny. There is nothing to be ashamed of in the nationalism of the average Indian patriot. The stronger, the more crystal clear and the more effectual my nationalism is, the greater would be my opportunities for participation in any *regime* of internationalism, in which the fortunes of my country find themselves merged without any detriment to myself and to my people. That is to say, the internationalism of tomorrow must guarantee to me all that belongs to me with the right to my untrammelled enjoyment thereof, but with provisions for me to participate as a free and self-supporting individual in any sphere of activity intended for the entire world and humanity, with self-respect, self-esteem and fearlessness for all. This is the internationalism which every truly patriotic Indian should strive for. But it would be a futile internationalism if it does not preserve unto himself all that belongs to him, whatever might be the temporary difficulties connected with long decades of foreign domination which have emasculated the people and the country, *sans merci* and with impunity. It took me nearly two decades to live down my internationalism—even of the type

of Pandit Jawaharlal's. I am anxious to live as an individual, who is out to hew a place for himself and his country a niche of rugged patriotism, so that I and my people might come to live as co-sharers in a glorious adventure, which would give me and my country the opportunity to become sovereign and self-sufficient.

The task, thus, in this country today and tomorrow is a gigantic struggle to purge the public mind of the virus of false internationalism which is becoming gradually the greatest difficulty in the path of our progress as a people. I am afraid there are certain fundamental flaws even in the Gandhian approach to politics in this country, which also have got to be purged in no uncertain terms. *Satyagraha*, with all that it has come to mean to us during the twenty years of our bitterest possible struggle for achieving national freedom, is believed to be, in the true Gandhian way, a panacea for world's ills, but a close scrutiny of the implications and performance of *satyagraha* in our midst, in its correlation to a similar examination of the political situation the world over before the present international hostilities broke out, during the present war period, and also with reference to a projection of the mind into the future, would reveal terrible complications, from which we as a people and a country cannot extricate ourselves without detriment to our own self-interest. Today we are struggling for freedom and using *satyagraha* as the principal instrument for the achievement of that freedom. For long years past we have been hankering after the intervention of the

outside world in our favour. We have appealed to the American President to use his good offices with John Bull, so that the progress of our national freedom might be accelerated. We have received the chief executive of a friendly neighbour country, Chiang Kai-Shek, and we have succeeded in persuading him to declare on Indian soil in 1942 in favour of Indian freedom. We have sought to enlist the goodwill and sympathy of other countries and peoples not far too distant from our own territory, e.g., Egypt, Iran and Turkey, in favour of our national independence. I have not the least doubt that until Indian freedom is won, this approach to the outside world seeking to enlist international sympathy, however purely intellectual and emotional such a course might be, would continue. But once we arrive at the destination and come to organise ourselves as a fully sovereign State and people, trouble would arise if this principle of intervention is allowed to go beyond our own purely national horizon.

The question which is agitating my mind in this particular regard might be summed up as follows: when India becomes free, what would be our attitude to the political problems of countries and peoples, near and far, who still find their liberty circumscribed, if not completely destroyed? What about the Indian attitude of the future to the problem of the peoples of Ceylon, of Malaya, of the vast millions of unemancipated Africans of the Dark Continent, or, for that matter, of the Nègros of the U. S. A.? I again ask: what would be the attitude of India in the future to a revived Comintern, which a victorious

Soviet Union is bound to use afresh as an instrument for the propagation of the cult of international communism, even with the added implication of direct and forcible intervention in the politics and policies of nation States the world over? That is to say, whether a free India would permit Moscow to pour out money and propaganda into our midst, in order that the big bosses of communism might obtain their battery of *chelas* in every part of the world, so that when the time arrives for the outburst of international revolution, communism finds itself fully supported? The question is whether India would tolerate a situation like the communist intervention in China prior to the emergence of Chiang Kai-Shek, whether such intervention is with reference to our own territory or the territory of any other people in the world?

Today we have unsheathed the sword of freedom, and we would continue to hack our way through to the ultimate goal, however difficult the going might be, but when once freedom's battle is won and India becomes a fully sovereign state, I would most strongly deprecate the extension of our technique beyond our own territorial confines. I am clear in my own mind that whatever the inducement might be to me, emotional and political, even from the point of our national interest, to intervene in the affairs of the Karens of Burma, the Armenians of Turkey, the Khurds in Iraq, the Meos in Indo-China, the Kykuyu in Kenya, the Bantu and the Swahili in the Union of South Africa, the Kandyan in Ceylon and the Mulatto in South America, I must be chary of exter-



nal complications for a variety of reasons, not the least important of which being the definite certainty that my intervention in the affairs of my neighbours is bound to recoil on my head with such a terrific effect, that it might actually destroy the freedom which I sought to win after long decades of insistent fighting and interminable toil. I do not deny that I am gravely concerned with the fortunes of millions and millions of suppressed peoples the world over. It would be a day of happiness for me and my fellow citizens of India to see that these helpless peoples the world over achieve their freedom, verily as I am seeking my freedom today.

From a purely emotional, international standpoint, the confluence of my struggle for freedom and the struggles for freedom of peoples similarly placed like me is bound to be a saga of profound human interest for all time. The rising tide of patriotism, wherever it exists, must necessarily not be hindered by one placed like me, but I have the greatest possible diffidence in going about preaching freedom to the rest of the world, when my freedom itself is still to be placed on a higher pedestal and, even assuming that I achieve it in the near future, is still to have the necessary sanctions and might behind it, to see that it is not destroyed the moment a fight for its achievement is concluded and the last vestige of Imperialism in my country is wiped out. I see the greatest possible danger from the extension of the principle of *satyagraha* and intervention from this country to regions beyond our own territorial borders, e. g. Mahatmaji's interven-

tion in Rajkot, and numerous other instances of lesser men than he in this country through attempted immolation by fasting unto death. Mr. Jinnah is today talking of his *Pakistan*. He has actually got the principle of *Pakistan* conceded even by Mahatma Gandhi.\* I shudder to think of the complexities of the minority problems deliberately sought to be created by the projected splitting up of my country into theocratic bits in the future. That is to say, in the future territorial set-up for this country under *Pakistan*, the Gandhian principle of passive resistance, based on friendly intervention and suasion from outside, would have the most tremendous repercussions on the problems of both the *Pakistan* and the non-*Pakistan* States. Let me illustrate: assuming that the North-West Frontier and the Punjab, Bengal and Sind become independent *Pakistan* States in the future, and assuming for a moment that Hindus resident in these *Pakistan* states find their rights wittingly or unwittingly trampled upon, the principles of *satyagraha* and intervention, if practised by people in the non-*Pakistan* areas, is bound to lead to civil war. Perhaps, I should say that such intervention would not lead to civil war, because the territories con-

\*Mr. Jinnah was unbending in his Bombay talks in regard to the stark reality of minorities problems descending upon the unfortunate people of this country, in the wake of *Pakistan* as he demands without specification of its principles. The *Quaide Azam* assures the world that in *Pakistan* there would be cultural and religious toleration and a guarantee of minority rights. He speaks of a *regime* of cordial relations between his *Pakistan* areas and the rest of the country. He is eloquent about a Monroe Doctrine of goodwill for all these areas, but he does not remember that his *Pakistan* is based on a hymn of hate and feeds only on the principle of hostages.

cerned are no longer partners in a glorious Indian Commonwealth, but are independent territories, with the result that it would be a series of inter-statal wars leading to anarchy in this vast sub-continent. I must pose a similar question with reference to the fortunes of the Muslims in the non-*Pakistan* states. When I know that intervention at home and nearer home is bound to lead me to this not-uncertain contingency of getting embroiled in the future with my present co-sharers of the fortunes of India, I would be extremely reluctant to project my mind beyond the Hindu Kush, even if I know that the people beyond the Oxus deserve and desire my help and sympathy which I would not be unwilling to give in other circumstances.

The need, thus, arises for India to fight and win her own freedom and to retain it unsullied for all time. This is no mean task for the millions of our people, who do not yet know the art of war and the art of peace, thanks largely to 1,000 years of the "civilising adventures" of Islam and Christendom in our midst! Freedom once obtained must be jealously guarded, if in our first flush of enthusiasm we are not to get lost in the "lost causes" of other suppressed peoples in the world, for the parallelogram of political forces the world over would have been so thoroughly altered and precariously poised upon unstable foundations, the moment such a sub-continent as ours achieves freedom, and it would be next to impossible for us to retain what we have achieved after such tremendous sacrifice and tribulation.

My compelling duty today is to undergo incessant

travail to win freedom for my country, I am not ashamed to be "selfishly patriotic," if my love for my country is to be so characterised by the new preachers of internationalism the world over. There is nothing sinful in my patriotism, because I want to preserve unto myself and to my progeny what belonged to my forbears, with such care and attention as is my duty to give to my patrimony. My nationalism is not aggressive, but is the quintessence of my long struggle for freedom from the domination of a foreign power. Once I attain freedom for my people and my country, it is for me to preserve it at all cost. My nationalism does not destroy the internationalism of the humanistic type, for I do not proceed with a shut mind. I am extremely anxious to cultivate contact with the rest of the world, culturally, in the commercial sphere, and in the realm of ordinary inter-Statel relations, which exist by virtue of the fact that different States exist side by side for all time. My nationalism has no patience with the theory and practice of Balance of Power, which has been very carefully veiled in the garb of internationalism proper by the bigger Powers of the world, which had their League of Nations after the conclusion of the Peace of Paris in 1919 and which would have undoubtedly a revised version of the League of Nations when the present international hostilities cease. My nationalism is only intended to enable me to recognise the need for self-help and self-effort, in order that I might order my affairs as an individual and as a people within the confines of

my own country in a manner which would conduce to the retention of my patrimony by myself and by my successors according to the glorious traditions left behind by my illustrious forbears right through the historical times.

Indian nationalism has come to stay. Indian nationalism has no quarrel with the rest of the world. Indian nationalism would conduct itself in channels which would not endanger any humanistic world order which might come into existence in the future. Indian nationalism is not the spurious coin which we come across in any dispassionate study of the affairs of man in the historical time, or in the contemporaneous world in which catastrophic changes are taking place with such astounding rapidity. Indian nationalism is the nationalism of every Indian patriot, who, as I have said earlier, has got to feed the Earth and to be fed by her, untrammelled for all time, in the unfettered enjoyment of her proceeds, verily as our forbears had enjoyed even thousands of years ago: Indian nationalism has no world designs, and it certainly has not any wish to be trammelled with any scheme of things relating to the sphere of romantic internationalism, so ardently preached to us by the new prophets represented by Comrade Roy and several other malicious people these days in our midst.

If I were convinced at all that this sort of intellectual internationalism would ever bring to me the effective intervention of the rest of the world in the struggle for freedom, I would perhaps have been willing—eagerly willing—to shed my nationalism

and get myself merged into the internationalism of the moral preacher, the conscientious objector and the political idealist. I have still to come across one single instance of effective intervention by outsiders for securing the freedom of a people, which can demonstrate to me the need and justification for me to drop my nationalism, miscalled fascism by Comrade Roy, and to get myself lost into the whirlpool of intellectual internationalism. I would suggest to Comrade Roy to rediscover his soul, and to reclaim the nationalism which was his heritage till but recently, for, otherwise, he would be, like Samson Agonistes, shorn of his locks, losing his soul and body even in his quest for a mess of pottage. I often wonder whether Comrade Roy ever remembers what the Poet said:

O dark, dark, dark, amid the blaze of noon,  
 Irrevocably dark, total Eclipse  
 Without all hope of day!  
 O first created Beam, and thou great Word,  
 Let there be light, and light was over all;  
 Why am I thus bereav'd thy prime decree?  
 The Sun is to me dark  
 And silent as the Moon,  
 When she deserts the night  
 Hid in her vacant interlunar cave.

It is not my purpose to help Comrade Roy to discover his lost soul, but certainly my purpose is, as is that of every patriot in this country, to rediscover the nationalism which he has unjustifiably condemned as being the equivalent of fascism and as something to be ashamed of, in order that my country and my people might earn the right to achieve freedom, and to retain it today and tomorrow.

## CHAPTER II.

### DEATH OF FREE TRADE

Today I mourn with joy the death of Free Trade, wherever it might have existed in the sphere of relationships between man and man, country and country. I rejoice at this deliverance of the world, particularly of my own country to the extent possible, from all the grisly implications of this soul-and body-killer, even though I have got half a doubt whether this monster would not raise its head again after the conclusion of the present international hostilities. One of the oldest Sanskrit sayings runs as follows : “*Sarve janah sukhino bhavantu*”; and, if I am not mistaken, this attitude to life must be regarded the lineal parent of what the XVIII and, XIX century economists and politicians, particularly in Europe, came to call *laissez-faire*. I have no wish to do violence to the spirit of the ancient Sanscrit adage quoted above, which literally means “let all men be happy”. A pretty old English proverb says in its own way : “let sleeping dogs lie”. However, *laissez-faire* or *laissez-passer* when applied to the realm of human affairs, particularly to those subsisting between two countries or two groups of countries, as they were applied nearly two centuries ago, produced results which were diametrically opposite to the quintessence of these adages both from the East and the West, in that the gentility of approach, between man and man and even between man

and beast, postulated by them as being the *summum bonum*, had been destroyed, and man began to dominate man, and one country another country, with the result that Free Trade, as the approach to inter-statal or international life had become the precursor, nay almost the sustainer, of Imperialism as had been developed in the historical period.

Limiting my observations to the economic fortunes of my country, with reference to their relationships to the United Kingdom and through the United Kingdom to the rest of the world, I must here trace the growth, as briefly as possible, of the Free Trade principle as supported by British bayonets and imposed upon us during the last two centuries of their overlordship. Indeed, I would not be traducing first principles when I say that the Free Trade of the United Kingdom had come to mean to us the denial of freedom in the economic sphere, with consequences far more catastrophic than even from the denial of political freedom.

When I was a child, I used to read in text books that trade follows the flag, but this is a statement based upon a gross misinterpretation of history as far as my country is concerned. What has actually happened in India since the XVII century was not that trade followed the flag, but that the flag followed the trade. The original buccaneers—the Dutch, the French and the British, came to India and countries near India, in the XVIII century in particular, offering trade to us, and in the process offering us a few trinkets and gadgets loosely associated with what was known as western civilization.



Powers even today over large tracts of territories and countless millions of people both in the Eastern and Western hemispheres, merged themselves into a consistent denial to the less fortunate peoples of the world of the right to have an economy of plenty, based upon the development of the distinctive organs of production of goods and services available to them from time to time, in relation to the great technological progress which became evident with such bounds in the wake of the industrial revolution. The deliberate destruction of the textile trade of India by Britain, depended on provisions like statutory law supporting the public demand for penalising the use of Indian muslins brought back to England by the *nabobs* of John Company, for the delectation of such of the British fashionables and young hopefuls, who had the money and the cravings to go in for these fabrics which even today Lancashire cannot produce in terms both of excellence and durability. The deliberate wiping out of the Dacca muslins and the cotton trade in general, leading to the imposition of cotton excise duties towards the latter half of the last century, with a view to crippling the Indian textile industry, of the modern factory basis, which was just then emerging in this land (simply because England wanted to have equal opportunities for Lancashire for competition in the Indian market!), is a classic example of what Free Trade had meant to us as a people. The true history of these shameless predatory trade exploits of the functionaries and the successors of John Company in India has not been written, though occasionally we obtain short

glimpses of the ugly realities of merciless exploitation by these people on occasions like the impeachment of Warren Hastings. The "factory system" of the East India Company, which was based on concessions from Indian potentates for profitable trade, soon merged itself into the creation of an Empire and its maintenance by this body of traders, supported by the bayonets of the British Red Jackets of those days, then gradually converted itself into a ruthless merchants' paradise kingdom, and ultimately became the Empire of a Queen. At every stage in this gradual development of British dominion over us, the unabashed principles of Free Trade operated as the motive force for Britain's political sway over us, resulting in the deliberate destruction of our right to live and of our right to breathe.

The principle of Free Trade converted itself into the most important agency through which Imperialism was built up during the preceding three centuries. There was no *hauteur* in a proposition which was put in this manner: "I exchange with you what I have got, and take away what you can give me". In actual practice, however, the Imperial flag stalking behind trade of this character did not keep the simple and all-pervading principle of barter equitable in its operation. For example, the criterion of fair price actually never entered into the determination of the extent of the barter involved in the theory of Free Trade, and if at all this criterion ever made its presence felt, it was nullified to the extent that the other party to the transactions with the agents of the Imperial Powers was made

conscious of the might of the bayonets supporting it. In any case, a close scrutiny of the Colonial and later Imperial histories of the Western Powers, does not convince one of the existence of the principle of equity and fair-play in the dealings between them and the suppressed peoples of the world, over whom they ruled in such a ruthless manner for well nigh three centuries.

Free Trade, as such, would never have had any terror for the suppressed and economically helpless peoples in the world, but for the emergence of another important associate principle represented by what has now come to be called the theory of specialisation or functional productive activity. Imperialism, following in the wake of the industrial revolution in the West, was most anxious to gather unto itself the grist to the mill of the industrial machine. The theory has been very deliberately built up and maintained, even today, that people in a particular country must remember the limits to the natural resources, the technical skill acquired through long generations of journeymanship to trade, and the availability of capital in required sufficiency, to be able to carry on industrial organisation, internal trade and international trade, and necessarily the might of the sword behind an international transaction which would ensure to the country concerned the means for the enforcement of contractual obligations between the country concerned and the rest of the world, however unequal they might be. Thus, the doctrine arose that certain countries of the world were specifically favoured by nature and

by the effort of man to produce manufactured goods, and certain other countries were only to produce raw materials which go into the fabrication of these manufactured goods. The division of the world into industrial and agricultural areas, which ran parallel to a division of the world into politically free and politically suppressed countries, was perhaps the most outstanding contribution of Free Trade as a principle of individual and national activity during the historical period.

Thus came to be built up the colonial Empires of the European Powers, and the world was told with all the strength which the Christian ethic could supply these Imperial Powers, that, after all, an exchange of manufactured goods (bringing in their wake all the benefits of civilization) with the raw products of the so-called backward or suppressed peoples of the world, whose fortunes constituted (at any rate, so the Imperialist Powers declared) a sacred trust for the White Man, was about the only thing which could be achieved in the interest of humanity as a whole. Capital followed in the wake of this train of thought and action, and the vast agricultural tracts of the world, particularly those bordering on the torrid zone, came to be exploited with all the organised skill which an industrialised West, meaning thereby an Imperialist West, was able to muster.

I have said earlier that the flag faithfully followed trade, and Western capital walked in step with Free Trade as it flowed out from London, Paris, Brussels, Berlin, Rome and New York. This

what Col. Amery, the present Secretary of State for India, said in 1933 in the true traditions of Imperialism: "Who is there among us to cast the first stone and to say that Japan ought to have acted with the object of creating peace and order in Manchuria and defending herself against the continual aggression of vigorous Chinese nationalism? Our whole policy in India, our whole policy in Egypt, stands condemned if we condemn Japan." The colonial activity of European Powers and, even for that matter, of the U. S. A. with reference to Hawaii and the Philippines, constituted a pattern of economic activity based upon the might of the ruling races, which it is very hard to shake off even today. The jungle and swamp were cleared in Ceylon, Malaya, Indo-China, Mauritius, Fiji, Kenya, the islands of the Caribbean Zone, and in the Dutch, British and French Colonies of South Africa, with remarkable thoroughness. Claims were pegged in the wake of this trade in the trinkets of Western civilization mentioned in an earlier place, ably supported by the flag behind, and the vastly potential resources of these and other lands were parcelled out among the nationals of the Imperialist powers, almost without payment and certainly as a result of the dispossession of the indigenous inhabitants.

Production commenced with remarkable rapidity, with the outflow of capital from the City of London and the corresponding places from the capitals of the various other European Imperialist Powers, and tea, rubber, tin, sugar and, for that matter, every other consumable thing which was

likely to constitute an article of merchandise between one nation and another and, certainly, the industrial raw materials which were needed for building up the Western industrial system, which, in its turn, had made Imperialism possible, flowed out of these lands with such precision and volume as must necessarily constitute a sordid, though engrossing, chapter in the history of aggressive human achievement. Once the raw materials flowed out into the industrial machine of the Western Powers, out came the luxuries and necessities which Western civilization claimed as its gifts to the so-called backward or uncivilized peoples of the world, with whom their political masters, *viz.* the Imperial Powers, have had to deal as trustees towards their wards. It will be seen that, in essence, Free Trade, as sanctioned by the industrialism of the Imperial Powers, had come to mean to countless millions of people, from China to Peru, the consistent denial of opportunities to raise themselves in terms of the irresistible progress of the world during the past three centuries in the realms of technology, industry and agriculture. The liberty of the individual in the political sphere may be mutilated, but it still cannot be said that it has been suppressed, because, at all events, the individual concerned can at least exercise in his own mind such liberty based on its consciousness, but in the case of the denial of the means of production, it is hardly conceivable that the so-called suppressed peoples of the world can ever regain their economic independence, as doubtless is the case with almost

what Col. Amery, the present Secretary of State for India, said in 1933 in the true traditions of Imperialism: "Who is there among us to cast the first stone and to say that Japan ought to have acted with the object of creating peace and order in Manchuria and defending herself against the continual aggression of vigorous Chinese nationalism? Our whole policy in India, our whole policy in Egypt, stands condemned if we condemn Japan." The colonial activity of European Powers and, even for that matter, of the U. S. A. with reference to Hawaii and the Philippines, constituted a pattern of economic activity based upon the might of the ruling races, which it is very hard to shake off even today. The jungle and swamp were cleared in Ceylon, Malaya, Indo-China, Mauritius, Fiji, Kenya, the islands of the Caribbean Zone, and in the Dutch, British and French Colonies of South Africa, with remarkable thoroughness. Claims were pegged in the wake of this trade in the trinkets of Western civilization mentioned in an earlier place, ably supported by the flag behind, and the vastly potential resources of these and other lands were parcelled out among the nationals of the Imperialist powers, almost without payment and certainly as a result of the dispossession of the indigenous inhabitants.

Production commenced with remarkable rapidity, with the outflow of capital from the City of London and the corresponding places from the capitals of the various other European Imperialist Powers, and tea, rubber, tin, sugar and, for that matter, every other consumable thing which was

likely to constitute an article of merchandise between one nation and another and, certainly, the industrial raw materials which were needed for building up the Western industrial system, which, in its turn, had made Imperialism possible, flowed out of these lands with such precision and volume as must necessarily constitute a sordid, though engrossing, chapter in the history of aggressive human achievement. Once the raw materials flowed out into the industrial machine of the Western Powers, out came the luxuries and necessities which Western civilization claimed as its gifts to the so-called backward or uncivilized peoples of the world, with whom their political masters, *viz.* the Imperial Powers, have had to deal as trustees towards their wards. It will be seen that, in essence, Free Trade, as sanctioned by the industrialism of the Imperial Powers, had come to mean to countless millions of people, from China to Peru, the consistent denial of opportunities to raise themselves in terms of the irresistible progress of the world during the past three centuries in the realms of technology, industry and agriculture. The liberty of the individual in the political sphere may be mutilated, but it still cannot be said that it has been suppressed, because, at all events, the individual concerned can at least exercise in his own mind such liberty based on its consciousness, but in the case of the denial of the means of production, it is hardly conceivable that the so-called suppressed peoples of the world can ever regain their economic independence, as doubtless is the case with almost



country in the world today which is not every country free, but is subject to the domination of an politically Power.

Imperialism we illustrate this point with reference to

Let me illustrate this point with reference to the political fortunes of our country. We had lost the specific freedom even a thousand years ago, our political freedom in the world has stopped us from but not pressing forward for its recovery, and irresistible history in this country is an eloquent contemporary testimony to the utter futility of the efforts of the ruling Power to suppress our political liberty, the liberty of the individual and of the community, which is never destroyed in spirit. If we cannot regain our liberty today, there is not the least doubt that we can regain it tomorrow or the day after, for the political liberty finds itself embedded in the essential springs of the human breast, and there the eternal in the world which can destroy its innate is nothing or need.

strength the case of economic and industrial questions,

In the case of economic and industrial questions, however, once we remove the organs of production from the politically suppressed people, it is next to impossible that they would ever gain their economic freedom, even if they gain their political freedom. What had become of our national shipping which flourished even long before the ancient Greek or Roman galleons ever could be seen in foreign waters? We had traded in our own ships right through the historical period, up to the advent of British in India, and once Britain had arrived in our midst, it was affirmed that a mercantile marine, which necessarily presupposes its support

in a complementary navy of defence in the hands of the people of this country, would mean the ultimate destruction of the essential basis of the British approach to us. With the result that for two hundred years India had been stripped of the opportunity to build up her own navy, both in terms of a navy of supply and a navy of defence. In fact, even today our coastal trade is not in our own hands, in the sense that it is not reserved to us, on the specious ground that the existing Indian mercantile marine is insufficient to cope with the needs of the trade, though it had been very deliberately suppressed on account of the historical fact that it was British policy during the two long centuries of our subordination, to maintain the principle of consistent refusal to us of a national navy of supply and a national navy of defence. Political liberty is that indestructible thing which man holds dear, and which man can make a triumphant instrument in the struggle of today and tomorrow; but without the tools to build up our industrial machine and without the opportunities to do so, one can really not become an industrial nation. I sometimes think that political liberty may wait, but economic liberty cannot. We have centuries of seafaring skill in our midst. We have all the raw materials necessary for building up a mercantile marine of sufficient dimensions to meet the requirements of our national trade. We have capital and organisational ability. But we have been consistently denied the opportunities to build up that industrial machine which

only our masters can make possible of achievement by us.

The operational aspects of Free Trade indicate the simple but dangerous *naivete* behind the designs of the Imperial Powers.\* Raw cotton was gathered from all corners of the Earth, carried seven thousand miles to Lancashire, turned into fabrics, carried back again seven or more thousand miles, and distributed among the (backward) peoples, under the dispensation of the high-sounding British claim that Britain clothes the world. Until comparatively recent times, Dundee became the world's centre for jute manufacture, the raw jute grown as a world monopoly in Bengal being transported all this distance, again under the dispensation of Free Trade. The world is told, as much as India

\*This is what Col. Amery, the Secretary of State for India, stated about Free Trade, when addressing the East India Association, London, on October 19, 1944, at which Sir Shanti Swarup Bhatnagar, Leader of the Indian Scientists' Delegation to the U. K. and the U. S. A., made a speech about India's industrial needs:

"Undoubtedly it is true that politically, and still more industrially, relations between India and ourselves are coloured by the superstition that this country or, at any rate, the industrialists of this country, would wish to restrict the progress of Indian industry in the interests of British export trade. *What lends colour to the superstition is that in the last century British authority was exercised in preventing protection of India's industry as against British imports, more particularly of cotton imports (sic). In those days we in this country were concerned almost fanatically that free trade was essentially beneficial to everybody and, wherever we could, we were bound in duty and under obligation of our trusteeship to the policy of free trade*" (italics mine).

After the naive manner in which he put the case of Britain's Free Trade policy towards India, the Secretary of State for India, naturally put in his caveat about more recent trends discussed by me later in this Chapter, and said:

"For many long years after, we conceded India the right to develop her industry, while continuing to impose the handicap of Free Trade upon this country."

is told, that the workmen of Dundee are by Providence made jute-conscious, with the result that they alone are capable of turning raw jute into the manufactured article—a doctrine which is exploded sky-high by the recent development of the jute industry in this country. Tobacco is, again, collected from every corner of the globe, and Bristol and London have become chief manufacturing centres of tobacco, to be shipped back in finished forms, curiously enough, at costs which compare favourably with those prevailing in the countries which grow the raw commodity ! Antwerp became the diamond centre of the world, the raw product being as usual extracted from the rich vaults of the Earth belonging, by a cruel joke of Providence, to the suppressed peoples of the world. Rubber and tin which are collected with the known rapacity of the Colonial exploiters of Imperial Powers, are again turned into finished products in like manner, and the finished goods purveyed in traditional Free Trade style to the “backward” peoples of the world.

I am not for one moment denying the technical skill behind and the artistic excellence of these manufactured products of Western industrial Powers, as compared to those of the indigenous inhabitants of countries, who originally supplied the raw product and ultimately received the finished manufactured article. I am not here interested in the manner in which this technical skill and productional excellence have been built up by these manufacturing countries of the West, since

I know that, given equal opportunities, anybody in the world could acquire these qualities without much difficulty. But, what really concerns me most is the ruthlessness with which the exploiting Free Traders of Imperial nations have for long decades denied to the politically unfree peoples of the world the right to become industrialised.

The contradiction in the maritime and industrial prowess of Britain, Metropolitan France, Belgium, Italy, Germany and the U. S. A. and, in recent years, Japan, has been responsible for the two major international wars of the present century, not to speak of dozens of minor ones dotting the history of Imperialism during its long, sordid career. The theory of "haves" and "have-nots" has gradually come to be built up by the less unfortunate of the Imperial Powers of the world, in the sense that the loot of Imperialism has not been properly and "equitably" distributed among all, with the result that the so-called "have-nots" always kicked up a row and plunged the world into a gory conflict from time to time—the devil taking the hindmost as the popular saying goes. I have still to come across one single instance in which the economically suppressed peoples of the world have emerged with profit from any of the wars waged by their political masters. After six years of the present international war, I find a man of the eminence of Dr. John Matthai, stating with all the authority at his command, that instead of India's economic and industrial machine advancing as a result of the conditions arising out of the war, there is actually

a regression in our economic and industrial fortunes, thanks to what I may call the double-edged weapon of spoliation used by Britain, *viz.* inflation and the dumping of consumer goods.

Contemporary developments in this country have convinced us, in the most unmistakable manner possible, of the fact that the organised Imperialism of Britain and the resuscitated American doctrine of "dollar diplomacy" would, now that the Allies are on the road to Victory, never permit us to rise as a people in the industrial world, for such a rise would mean a tremendous difference to the industrial future of these two countries after Peace. This is the reason why we in this country are consistently denied access to capital goods from abroad, which are to enable us to produce all that we want for our needs, and instead there is a calculated outflow to us, even as against the hazards of a total war of almost every conceivable type, of consumer articles, which Britain and America could hardly be expected to manufacture in the midst of war, much less export them to us. But this is exactly what is happening and what would continue to happen, as long as Imperialism, under whatever cloak it might seek to function, continues to exist.

But Free Trade, as known to us in the last century and up to the outbreak of the last Great War of the present century, is dead, as dead as the dodo. One of the most remarkable developments in the sphere of international trade, as known to us in the present century, is the theory of most-favoured-nation-treatment, which has introduced trade

selectivity and particularism in the place of the old buccaneer right of digging in, for the benefit of all aggressive peoples in countries which are not capable of protecting themselves against such aggressive action. The principle of most-favoured-nation-treatment has naturally led to the demarcation of the world into spheres of influence, as between one group of countries and another, on the basis of reciprocal preferences, to participate in which concessions have to be made as between the Imperialist Powers themselves on the one hand and the economically suppressed countries of the world on the other. If I am not mistaken, the emergence of most-favoured-nation-treatment as a norm of international trade was the first nail in the coffin of Free Trade, and as a historical fact Free Trade must be stated to have been dead, though not completely, even before the outbreak of the last Great War. During the aftermath of the last Great War, Britain felt the need for jettisoning, once and for all, the principle of Free Trade, which animated its Imperial commercial policy for well nigh two centuries, for she had recognized the need for protecting her domestic agricultural market, against what had come by this time to be termed as the dumping of foreign produce even from countries like Canada and Australia. In a similar manner, British manufactures had to be protected from the competition of foreign manufactures, including manufactures from the Dominions themselves, for, once the inflow of agricultural produce and manufactured goods from abroad into Britain was allowed almost unimpeded,

it became clear to British statesmen and industrialists that the life-blood of Britain, *viz.* the continuous outflow of manufactured goods, would dry up. I am not here interested in a detailed examination of the antecedents and provisions of the Safeguarding of Industries Act of 1920 of the Baldwin Government, the Ottawa Trade Agreements, and the almost contemporaneous developments in Metropolitan France providing for a similar scheme of economic ring-fence round the French Colonial Empire. But I am very genuinely concerned with the implications of these developments of the inter-war period, which only go to show, in the most unmistakable manner possible, that Free Trade, as such, was dead, thanks largely to the compelling necessity of Britain, which was obliged to take recourse to an alternative *regime* of economic action, without which she could hardly have survived as a nation of maritime and industrial leadership in the world.

We in this country naturally felt the effects of this change in the industrial and commercial policy of Britain, not in the ordinary industrial or commercial manner, but by virtue of the fact that our political fortunes were dominated by Britain. In the wake of the Ottawa Preferences, which demonstrably militated against our national self-interest (*vide* the resolution of 1934 in the Central Legislative Assembly rejecting Ottawa in the most unmistakable manner possible), we had our troubles in the realm of trade with Japan, with almost every European country, and even with the U. S. A., but Britain ruled supreme over our fortunes, with the result



that we had to submit to all the temporary expedients which Britain found necessary to take recourse to for ensuring her survival as a powerful nation in the world aiming at leadership, which once lost would be gone almost for ever. But it must be confessed that, even under Ottawa Preferences, Free Trade had, as such, almost dried up as the panacea of world's economic ills, which Imperialist Powers had once dug up from their commerical *pharmacopoeia*.

I am not for one single moment forgetting the parenthetical importance of the Mandates System of the League of Nations of the inter-war period, under which equal access to the resources, at any rate of the "B" and "C" Class Mandates, to all the Powers of the world was enthroned as a principle of international action. But revelations which have come to light since the outbreak of the present international hostilities, after the break-up of the League system years earlier, have convinced us of the deliberate manner in which the Mandatory Powers, whether they be Japan, England, South Africa, Australia or France, had deliberately flouted, and flouted with impunity, this principle of Free Trade represented by the cardinal basis of the Mandates System, *viz.* equal access to all Powers. Small wonder, that even the League of Nations could not arrest the development of the menacing doctrine of regional economic particularism of individual Imperial Powers (dragging with them their political and economic wards) and groups of Imperial Powers, with the result that war as the arbiter of

international disputes has once again been enthroned on a very high pedestal.

I have come across the theory of "haves" *versus* "have-nots", as between the various Imperial Powers of the world, but I have still to come across the enunciation of the principle of the downright contradiction between the interests of the suppressed peoples of the world as against their Imperialist masters. Today the "haves" and "have-nots" are fighting it out, and one of these two groups among the Imperial Powers of the world would necessarily come up on the top, as events of the immediate present unmistakably demonstrate. If I am not mistaken, the wars, the unrelenting wars, between the economically suppressed peoples of the world and their Imperialist masters are still to come, and I have not the least doubt that they would come within my lifetime. But I am not here attempting to fulfil the *role* of a prophet. I am more concerned here with stating, as clearly and categorically as I can, the manner in which Free Trade as a principle of British commercial approach to this country had crumbled into the dust, not necessarily only because of protestations from a political and economic slave like myself, but also because of the manner in which unbridled Free Trade, as practised on an international basis, had so disastrously recoiled upon the head of Britain herself, with the result that Free Trade as such was jettisoned in the most unceremonious and merciless manner imaginable, though I must admit that a not-altogether less pernicious system of Imperial Preference has been enforced upon me and my

country in the wake of Ottawa. I would take up this subject of Imperial Preference in a later chapter, but here I must devote a little more space to the activities of certain high functionaries of the Government of India calculated to restore back Free Trade to its former high pedestal, if not on a universal international basis, at least on an individual national basis, as between India and Britain.

Sir James Grigg recently cavilled in the House of Commons at the fact that, when he was Finance Member of the Government of India before the outbreak of the present international hostilities, he was charged by the Indian National Congress as one of the most notorious free traders ever sent out to us as high functionaries of Government, to whose care the fortunes of the country were entrusted. I remember those historic days in the Central Legislative Assembly when the appointment of another notorious free trader, Sir Theodore Gregory, as the Economic Adviser of the Government of India under the Griggian *regime*, was thrice condemned, but owing to the non-chalance and *hauteur* which have become known to us as the principal characteristics of the bureaucratic government in New Delhi, finding 'its motive power in the City of London, it was not surprising that a subject nation like ours did not succeed in getting jettisoned policies and personalities which were not in our true national interests. It would be unfair on my part to single out a high servant of State and to try to seek justification for condemning his activities, especially when that particular individual does not usually figure in

public controversy, but actually burrows himself in a host of documents which are generally not open to public gaze. But I would be failing in my duty if I, on the basis of accumulating evidence of an indisputable character, do not record here my protest against the insidious manner in which the present Economic Adviser to the Government of India has always put his finger in the pie and compelled, more or less, on the basis of his undisputed intellectual calibre and reputation as a student of economics, the Government of India to take recourse to policies which generally are not in the interests of this country.

When the history of the present international war comes to be written fully, and when official data becomes available, in the shape of memoranda, notes, reports, etc., as submitted on several occasions by the Economic Adviser to the Government of India, it would be seen that Sir Theodore Gregory has more or less succeeded in retarding the trade *tempo* of this country.\* As the old saying goes, you cannot fight Shalya every time and for all time, and if I am not mistaken this exactly is the record of the present Economic Adviser to the Government of India. There are two or three other individuals, like Sir Mohammad Zafrullah Khan (until he was elevated to the Federal Bench), Sir Ramaswami Mudaliar, and Sir Firoz Khan Noon, who, chameleon-like, have developed a taste for changing portfolios in the

\*Sir Theodore Gregory has initiated the curious device of a servant of the Crown submitting memoranda in his personal capacity to the Government of which he is a member.

Government of India from time to time, especially portfolios of such vital importance as Supply, Commerce, Railways, Labour, Defence *etc.*, and have in their own way put the spoke in the wheel of Indian progress, and history would condemn Sir Ramaswami Mudaliar's speech at Manchester a couple of years ago as one of the greatest betrayals ever indulged in by a son of this country, even though it might have been made under the intoxicating influence of a post-prandial occasion. Perhaps, I am ungenerous in my attempt to record with historical truth this famous occasion when a Commerce Member of the Government of India felt the need for placating Lancashire. Perhaps, again, it does not enter into my head that any other individual from this country addressing an audience in a City, which has given its name as a synonym to Free Trade proper, could not have escaped, without discomfort to himself and his office, the lure of the siren which was physically facing him at that given moment.

A quarter of a century of the Indian Fiscal Convention and discriminating protection has convinced the people of this country that the blandishments of Free Trade do not any longer possess the requisite charm which is capable of making us, as a people, its votaries. In a later chapter I would examine in detail this doctrine of discriminating protection, in order to show its deficiencies as far as the protection of our legitimate economic and commercial interests is concerned, but discriminating protection as such is one of the many nails in the coffin of Free Trade as practised by Britain,

at all events, and even though today discriminating protection as such has become a rather effete instrument in our hands to be at all capable of regulating our national fortunes on the basis of our national economic sovereignty, I cannot but say that it has become a landmark of outstanding importance in the long, chequered history of this country in her quest for freedom.

The compelling necessities of the present international hostilities have introduced a new element into the relationships between India on the one hand, and the United Kingdom, U. S. A. and other Allied countries on the other. I do not know if I would be doing any violence to the necessary dialectic of an economist, if I say that during the past six years of the present war, there was some sort of Free Trade—a qualified Free Trade at that—between the Allied Powers and this country. In pure theory, a statement like this cannot but be accepted as the equivalent of truth, for whatever may be the ramifications of the Indo-British financial “settlement,” Lease-Lend, Reverse Lease-Lend, and several other expedients taken recourse to for the regulation of the inter-statal relationships of the Allied group of countries, particularly with a view to making the economy of this country subserve the grand objective of the Allied cause, there was one common strand of unified effort and unified sacrifice running through them all, with the result that the balancing of gains and losses, if at all such an approach to the war effort of the Allied countries was ever made, was only made on paper, while

the real gains and losses to unfree countries and peoples in the Allied camp were never really accounted for. We in this country are placed in the hopeless position of a people and a Government which have to run as subservient tools in the hands of His Majesty's Government, whose main purpose in this country during the six long years of war was to bend our national economy in such a manner that it fitted into the scheme of things ordained from London and Washington.

Times out of number, whenever questions of high economic and commercial policy came up before public scrutiny in this land during the past six years, protests went up to show that the imposition of policies from without has been and continues to be detrimental to our national interest. These protests have been brushed aside with impunity, on account of the undeniable authority which Britain holds over us, but the day of reckoning would soon come when past scores would be paid off by India, and efforts made to stabilise our national economy in a world scheme in which our specific individual interests would be protected without let or hindrance, at the same time without doing violence to the common weal of all nations. There may be a very strong temptation, especially in the first flush of Victory on the part of the United Kingdom and the United States, to force down our throats, once again, Free Trade of the type known to us during the long centuries of British rule, but there cannot be any conceivable possibility in which the people of this country, who

have struggled right through the long period of the inter-war period to get Free Trade destroyed as the basic approach to our national reforms, would ever allow its re-emergence as the cardinal *nexus* between this country and the rest of the world.

For what I know, Free Trade is dead, as far as we in this country are concerned, even as a subject people at the present moment, and Free Trade cannot be revived when India becomes a sovereign State in the near future. I know that there would be tremendous complications to the future economic and commercial policy of this country if *Pakistan* States are to spring up to the East and West of this country, now that Mahatma Gandhi has agreed in principle to the *Pakistan* demand of Mr. Jinnah. I rejoice in the failure of the Bombay talks between the Mahatma and the *Qaide Azam*, for they have, for once in our recent life and living as a people, shown that India is fundamentally united, and that Mr. Jinnah's offer of a Monroe Doctrine for the *Pakistan* and *Hindustan* States, which must emerge from out of a dismembered India, has become a damp squib, which merits mention in the anthology of a political obscurantist who is out to mentally carve a kingdom for himself. But even if *Pakistan* comes, I cannot conceive of the ports of Calcutta and Karachi imitating the *role* of Singapore before the outbreak of the present international hostilities, and declaring themselves as "free ports" for the merchandise and commerce of the whole world. In my time I have examined the implications of an emporium like Singapore run



as a free port, and I know the tremendous complication which the *regime* of a free port is capable of inflicting upon Calcutta and Karachi as typical *Pakistan* sea outlets.

Let *Pakistan* come if it is to come. But there will not be Free Trade, even in *Pakistan*, for without the opportunities to build up its economy and resources in a manner suited to the needs of its people, *Pakistan* can never hope to survive as a territory and a polity. I also foresee tremendous complications in terms of Free Trade and protection, between *Pakistan* and *Hindustan*, if India has to give up these two mutilated progeny of any future possible Gandhi-Jinnah concordat, now happily out of sight. I do not know if Mr. Jinnah would obtain his corridor from Karachi to Calcutta, as demanded by the late Maulana Mohammad Ali, to enable his *Pakistan* States to establish communion with each other. That is to say, whether there would be Free Trade between Calcutta and Karachi *via* the vast hinterland of this sub-continent, or whether merchandise and men are to travel right round the coast to establish contact between these Eastern and Western sea ports. *Pakistan* is the product of mass hysteria and racial hatred, and *Pakistan* very definitely militates against the common economic interests of all.

It is palpably absurd to visualize a future for this country in which there would be *Pakistan* and *Hindustan*, meaning thereby one Muslim State each to the East and the West of *Hindustan*, with six hundred odd Indian States, both Hindu and Muslim,

lacerating the main stem of this country as so many leprous patches. The whole prospect in front of any patriotic Indian in terms of Mr. Jinnah's *Pakistan* is truly fantastic and gruesome. Six hundred Indian states claiming administrative sovereignty within their territorial borders and looking up to the Paramount Power for patronage and succour; two *Pakistan* States to the East and the West of the land believing in a glorious theocratic revival and longing for a nebulous programme of Muslim federation from Morocco to Korea, and an undefinable *Hindustan* (as defined or left undefined by *Qaide Azam* Jinnah), with the leprous patches I have already referred to destroying the very conception of a State and a territory—all these abortions of political and economic thought and policy do not constitute statecraft, but are tokens of a merciless civil war which is bound to reduce this country, as we know it now, as our forbears knew it for long centuries, to smithereens; but this is a fantastic world in which we live, and *Pakistan* is the price we might have to pay if our sectional madness in the mass is not countered. Balkanisation, Ulsterisation and a host of other expressions like the Cantonisation of the country, are insufficient to express the horrors inherent in the creation of *Pakistan* and *Hindustan*, in addition to the existing six hundred odd administrative units, which refuse to die but cling on to the coat tails of British Imperialism as the only guarantee of their continued survival. Surely, there cannot be Free Trade between this congeries of principalities which has,



principal adherents, India would come into her own and regain her national sovereign status, claiming the homage of one and all, Hindu and Muslim. For our present purpose, Free Trade or protection has no meaning, if the body of India is to be lacerated and mutilated in terms of *Pakistan*, and of the preservation of the paramountcy of the Paramount Power with respect to the future of the Indian States. But I mourn the death of Free Trade, and mourn joyfully in the hope that I, as one belonging to a suppressed people, would have occasion to rise to my opportunities, so that I might survive in the longer struggle for economic freedom, which is to begin after freedom's political battle is concluded as between India and England, in the only manner in which every patriot of this land wishes to see it concluded.

## CHAPTER III

# NEW CLOTHES FOR OLD SLOGANS

Having mourned the death of Free Trade with considerable glee, it is necessary that I, placed as I am in a country which is still to gain her political freedom, should become chary of the new sirens which preach the inevitable gospels of my masters, with all the accumulated strength and ingenuity given to them by long centuries of Imperial domination over dozens of countries and peoples like my own. I have an abhorrence for slogans and shibboleths, simply because they do not contain the whole truth, even though I do not minimise their relevancy to a tabloid enunciation of national policies and even national emotions. In all certainty, shibboleths and slogans are prevarications of truth. I have already demonstrated the point that the slogan "trade follows the flag" is a prevarication of truth, but this is only one of the many illustrations I can give with reference to the regulation of international or inter-statal relationships right through the course of history, particularly in the economic sphere. It is my purpose in this chapter to take up at random a few slogans and shibboleths which are very carefully devised by my masters, in order to show their untenability, however much plausible they might look at first sight.

Before I take up these slogans and shibboleths individually, I must say a word or two about the new

technique of approach adopted by their enunciators, and the new clothes which have gone to embellish them in comparatively recent years, which almost coincide with the preparations for and the duration of the present international hostilities. Phrases like Imperial Trusteeship, the White Man's Burden, Preferred Markets, etc., have fast disappeared from the official literature relating to discussions of economic and commercial problems as between one country and another, particularly with reference to the problems subsisting between an Imperial power and the countries and peoples under its political and military suzerainty. Linguistic tinsel has gone to completely drape these unabashed but powerfully expressive slogans in such a manner that they are almost unrecognisable in their present forms. The unwary, particularly in a country like India, might be easily led into a trap on account of the sheen which shrouds (perhaps I should not say shrouds, but covers) our old friends, these Imperialist slogans, which have almost become completely unrecognisable externally, thanks to the studied art which has gone towards embellishing them into new forms. I pay my tribute to my masters for the dexterity with which they have sought to throw dust in the eyes of the world, and particularly in the eyes of the country and the people to which I belong, as a result of the fact that the vehicle of expression which sought to vitalize them is not native to me and to my country. But the art of dissimulation taken recourse to by my masters cannot hope to hoodwink the entire world for all time, and it be- . . . burde . . . ty

to endeavour to look into the mouth of even a gift horse. Which is what I will attempt to do in the following pages.

Imperial Trusteeship, White Man's Burden and the principle of International Mandates constituted the unique trilogy of every country which had successfully dominated another during the past three or four centuries, whether it was the language of the mailed fist of the Germans in Tanganyika of yore, the Belgians in the Congo Basin and the French in Indo-China, or of the velvet love of the Americans in Hawaii and the Philippines, and of our British friends in India and a host of colonies which sprawl right across the length and breadth of the globe. But these hateful expressions which had destroyed, and completely destroyed at that, the psychological approach between the master and the slave during these two or three centuries of Imperialism, are now fast disappearing from the political philosophies and economic literature of the ruling Powers. I had hoped that these slogans would meet with the violent and hurried death which they so richly merit, but I am afraid Imperialism dies hard if it does at all, and certainly would not die without its swan song. Writing at a time when the last battlements of Hitlerite Germany are precipitately crumbling and when Anglo-American prowess is hurling back the Japanese over land and sea and in the air, it is a trifle difficult for me to project my mind into the immediate future and to try to lay down the first principles of approach to any Peace Settlement with the precision and objectivity which would have

been possible from a longer range. But it is clear that Imperialism, or perhaps a set of Imperialisms, would struggle to emerge from out of the shambles of the present international war, with a greater and more portentous menace than their lineal predecessors of the past, but with this distinction that there would be a greater *finesse* about their plan of approach and execution.

If I can select one single expression which is capable of substituting itself for Imperial Trusteeship, the principle of International Mandates and the theory of White Man's burden, it is the theory of *quid pro quo*, which was so ably propounded by the Federation of British Industries at the time of the Second Indo-British Trade "Agreement" of 1939. I wondered at the time, when this mis-called Agreement between the United Kingdom and India was in incubation for the unconscionably long period of three years, what could be the *raison d'être* of this new economic siren which blew towards us from across seven thousand miles from where the City of London is situated? I put myself the question at that time, what could be the *quid pro quo* between a lion and a lamb, a master and a slave, or a giant and a dwarf, except it be that of subordinate co-operation, which the compeller could take with impunity and which the compelled would acquiesce in with only faint rumblings of mental reservation or protest? I cannot conceive of an equation subsisting between the categories of people and countries described above basing itself upon the popular saying "you scratch my back and I scratch yours", which



can only be the true inward meaning of any pure theory of *quid pro quo*. I remember Lord Baldwin (then Mr. Stanley Baldwin) telling the "Indian" delegates to the Ottawa Conference of 1932, in his capacity as the Premier of the United Kingdom, about what he meant by this *quid pro quo* between Imperialism and its ward. He said: "I am informed that in respect of certain classes of goods, you have lower duties on British than on foreign products, but this differentiation was, as a matter of historical fact, made solely in the interests of India, and without any desire to confer a favour on this country or from any belief in the policy of Imperial Preferences". I often wondered during these twelve years what cheek a British Premier must have had to put across and get away with a statement of this character.

But I have wondered even more at the availability in this country of people who are capable of striking the corresponding chord in this tantalising lute, in order that the equation between Imperialism and its wards is fully sustained with the formal sanctity of bell, book and candle. This is what the Indian delegation to the Ottawa Conference wrote in para 31 of their Report: "It was no longer a question of what India stood to gain, but what India stood to lose". The following is an excerpt from the Report on the working of Ottawa Preferences submitted by Dr. John Matthai, as Director-General of Central Intelligence and Statistics with the Government of India: "India has proved her rela-

disclosed by her percentage share in the U.K. imports. then, other things being equal, the preference must *prima facie* be deemed to be valuable. Whether India's other customers have taken relatively more from her than U. K., is not quite relevant to the issue". I concede the point that the theory of *quid pro quo*, as such, was adumbrated by the Federation of Industries in 1939, not much in advance of the conclusion of the Second Indo-British Trade "Agreement", and that the quotations given above date to an earlier period. But the sedulous manner in which the sanctifying theory of Indo-British relationships was being gradually modulated to suit the needs of changing times, must be stated to have become crystal clear, long before the Federation of British Industries could coin this new phrase or put across this new slogan.\*

If I am not mistaken, the theory of *quid pro quo* would have a profound and lasting influence on the

\*The following statements of Mr. Winston Churchill during the years 1930-35 are typical of Britain's "real" attitude to India, whatever might be the socialist and humanitarian protestations to the contrary :—

"The loss of India would mark and consummate the downfall of the British Empire. That great organism would pass at a stroke out of life into history. From such a catastrophe there would be no recovery."

"The loss of India would be final and fatal to us. It could not fail to be part of a process that would reduce us to the scale of a minor power."

"We have on this island a population of forty-five millions living at a higher level than the people of any other European country. One third of these would have to go down, out or under, if we ceased to be a great Empire with worldwide connections and trade."

"Gandhism and all it stands for will sooner or later have to be grappled with and finally crushed."

"Except as an ultimate visionary goal, Dominion Status, like that of Canada or Australia, is not going to happen to India in any period which we can remotely foresee".

course of Indo-British relationships in the near future. I repeat that I am writing at a time when there is a recession in our political fortunes as a people and a country and at a time of triumphant British Victory, and as such I am afraid it is tremendously difficult for me to take the measuring rod to attempt to delimit the future course of Indo-British relationships, but I would take a long shot and affirm with all the strength at my command that the theory of *quid pro quo* would play a very vital part in their re-enunciation in a tantalisingly different form.

But the theory of *quid pro quo* is only a rehash, with an innocuous-looking shape and garb, of the principle of Trusteeship. What is the United Kingdom's *quid pro quo* towards India? I do not wish to be ungenerous in my answer to this question, but I am clear in my mind that the diehard Britisher would like me to remember the following things which England has done during two centuries of her domination over us: *preservation of India as a territorial unit* (with, of course, the rift caused by the separation of Burma in 1937 and of Aden at about the same time, and the Crippsian enunciation of more than one single Indian Union after war); *the grant to us as a people of an unbroken period of peace or security from external aggression* (which I, from my point of view, would perhaps like to describe as the peace or security of the sepulchre); *the conferment upon this country and people of trappings of western civilization and industrial progress like Railways, Telegraphs, etc.* (which I

would qualify by the statement that I would have had them without let or hindrance, with the march of time, whether England were my master or not); *the ensuring of economic freedom and stability* (which I would say is vitiated as a theory and a fact by the horrid spectre of three million deaths from starvation in Bengal alone during the fifth year of war); and *the grant to me and my fellows in this country of the right and opportunity to soak ourselves with a veneer of Anglo-Saxon literature and political philosophy, and then to speak and write in a manner which no other Imperial power, including Metropolitan France of the inter-war period to my certain personal knowledge, ever allowed to her subordinate peoples* (which I, in my turn, would answer by saying that it has rendered me and my like un-national, if not anti-national, with the attendant acquisition of the handicap of cowardice, which is the much-vaunted intellectualism of the *petite bourgeoisie*).

Reversing the question, I would like to know what England would expect of me and my country for all that has been accomplished by her during two centuries of her rule over me and is attempting to do at the present moment. I believe, I can answer this question without much difficulty, though by doing so I have definitely to tread on the corns of numerous British merchant men in this country, as also in the United Kingdom. Sir Stafford Cripps told me, when I questioned him at his Press Conference in March 1942, at which the Draft Declaration of His Majesty's Government was released, that the future Indian Union could with

impunity repudiate the debt which the Government of India saddled upon this country and which is held by British scrip-holders, that Indians could repudiate equally well the commercial discrimination clauses (Chapter III, Clauses 111 to 121 of the Constitution Act of 1935), and that, in effect, a free and sovereign India could wipe out, if she so desired, the entire Clive Street of Calcutta and put in its place something like a *Marwari Bazaar*, meaning thereby the assumption of unbridled and unqualified economic sovereignty by the people of this country on the basis of their own volition and, by implication, without any reference either to His Majesty's Government or to the City of London. I am not permitting myself here to be detained by the controversy whether the Cripps' offer, which was rejected as insufficient to meet our national demand by almost every section of public opinion, including the Congress, the Muslim League and various other lesser political persuasions, though not necessarily for identical reasons, is still valid or not, in the light of what Mr. Winston Churchill had said, as Britain's premier, after the Lord Privy Seal went back a sadder, though not necessarily a wiser man from this country.\*

I claim to be more or less a keen student of British Imperial history, not only with reference to my own country, but also with reference to the fortunes of numerous other countries in the world

"We mean to hold our own. I have not become the King's first minister in order to preside at the liquidation of the British Empire."—November 10, 1942, *i.e.* eight months after Sir Stafford Cripps left India, after making his "grandiloquent" offer of political and economic freedom to us.

over which the Union Jack holds sway today, with a glamorous tradition with hardly any parallel in the annals of the chequered saga of human civilisation and development. If I am not grossly mistaken, British policy towards the colonial and suppressed peoples does not necessarily vary with the varying moods of either the British people or the colonial or the suppressed peoples concerned, though I do see the point that, in the face of what seems to be temporarily unsurmountable difficulties, there are bound to be dents in British policy from time to time, even though it straightens itself out with remarkable resilience, the moment those seemingly insuperable temporary difficulties lift themselves up, not necessarily as a result of British initiative or British strength, but more times than not in a purely fortuitous manner.

While I was still at school I had cultivated an admiration for the audacity with which the average Briton in India had come to claim before the world that he is God's Englishman, though I have seen for years together, during my long stay in his lovely country of freedom and literature, that this particular tenet of British supremacy is hardly ever known among the rank and file of his people. The squalor and dirt, the mass unemployment of people, the horrid class distinctions between one section of the community and another, the utter depravity of the working people which almost borders on lewdness, and the varying moods of popular emotion, have all been observed by me and others like me during our sojourn in that land, which is the true home of

Imperialism in all its nakedness and even terrifying grandeur. But as I have said earlier, these varying moods straighten themselves out, and I have watched in my time the wonted socialism of Lord Snowden as Chancellor of the Exchequer, of Jim Thomas as Dominion Secretary, and of Ramsay MacDonald himself as British Premier with a special flair for foreign and international affairs, becoming the sustainers of Imperialism in true line of succession only to Disraeli, Joseph Chamberlain and a host of others who had upheld the British flag as a divinely ordained institution, which must be there in order that the colonial and suppressed peoples of the world might be guaranteed their "security" and "civilization". I have said publicly dozens of times that I would sooner trust Churchill than Gallagher or Maxton in No. 10 Downing Street, for the diehard is honest in his purpose however nefarious it might be, while British Communism and Socialism are spurious coins. But I digress.

I was one of the doubting Thomases in this country who refused to look at the gift horse brought by Stafford Cripps in the mouth, even after I had obtained his elucidation on the economic implications of that Draft Declaration. For, I had always felt that economic sovereignty, which has no relation to political freedom, is a bauble, and cannot slake the thirst of four hundred million people for those essential rights of man which are capable of making me stand erect among my compeers in the world, retaining to myself what belongs to me, and defending it in times of stress or threat with the requisite

might which undiluted national freedom and strength alone can give me.

But the doubting Thomases proved to be correct, in so far as the Cripps' proposals are concerned. For, within a few weeks after the departure of Cripps, new vested interests were created in this country by the recognition, for the first time in Britain's rule over us for two long centuries, of the British commercial community in India as a statutory minority which requires weightage of representation in the expanded Executive Council of the Governor-General, and Sir Edward Benthall, the senior partner of a British firm in Calcutta, took his seat as an Executive Councillor in charge of the Department of War Transport. There were people in this country, including myself, who shuddered to note the depravity of His Majesty's Government in creating these new vested interests, despite the might behind their occupation of this country for hundreds of years. I was almost reminded of that nursery rhyme, "Humpty Dumpty", at this renewed breaking of faith with this country by the British people, who, recognising the force and the mounting catastrophic consequences of resurgent nationalism around their mercantilistic ring fence, sought to dig themselves in once again for a further lease of life, which apparently belongs to them in the light of Allied victories in all corners of the world after six years of war. The sequel to Sir Stafford Cripps' "indiscretions" in India, recorded above, (and was not Sir Stafford, though Lord Parmoor's son, at that time a much-advertised socialist?), was the merciless



wiping out of his gloss over the economic implications of the Draft Declaration by Lord Catto and a host of others, who silenced the attitude of "supine surrender" to the so-called Indian nationalists wherever it existed in Britain.

I promised to answer the reverse of the question I posed earlier with reference to the theory of *quid pro quo*, and having stated certain fundamental factors which supervened since the Lord Privy Seal left India, leaving India in the lurch, I had better attempt to give the answer as graphically and truthfully as possible. I was asked to surrender my right to trade profitably with such of the rest of the world to which I had access during these war years, e.g. the Near and the Middle East, and to surrender myself to the *regime* of the octopus of the United Kingdom Commercial Corporation, which is a filiation of the British Treasury, and, while facing a sugar famine in this country, to allow this British exporting organisation to reap colossal profits from exports of sugar out of India. I was prevented from getting the capital goods necessary for me to build up heavy industries in this country, like aircraft, ship-building and automobiles, and was asked to be content with assisting the assembling plants in various parts of the country in which foreign imported machinery and parts are put together and the ready-made goods supplied to the Defence Services and even to the civilian consumers. I was obliged to reconcile to the calculated dumping in our midst, despite numerous war difficulties like lack of normal opportunities both in the United

Kingdom and the U.S.A. for their production and lack of shipping space, of a large variety of consumer goods, which could easily have been manufactured in this country, if only I was given even the slightest opportunity to build up our industry through the import of the essential minimum requirements of the country in terms of machinery and parts, and technical personnel. The shabby treatment meted out to the Grady Mission from America is an eloquent testimony to this effect.

I was denied participation in the Atlantic Charter and also in the essential benefits of Lease-Lend and Reverse Lease-Lend which have made countries like Canada, Australia and even New Zealand industrially progressive and self-sufficient even in wartime, in respect both of goods for Defence Services and the civilian community. I was obliged to stomach a thousand crores of paper currency,—seven times the currency I had before the war—against the spurious backing of sterling and in the face of the demands from the country for gold or British rupee loans, which would have prevented prices soaring to levels hardly reached by any country in the world, belligerent or neutral, as the latest League of Nations statistics for these war years so amply prove.\* I was told to “shut up” at the Bretton Woods Conference, when the question of the orderly and speedy repudiation of these thousand crores of sterling debt was raised as part of the proposed *regime* of the

\*Recently, official statistics of the Government of India claimed that prices are resiling from their peak positions, but it is not denied that they are over two times those prevailing in the sixth year of war in the U.K., the U.S.A. and even Germany.

International Monetary Fund and the International Bank, and Sir Chintaman Deshmukh, Governor of the Reserve Bank of India, who was called to London for the discussion of the liquidation of these sterling balances on a bilateral basis with the United Kingdom, was unceremoniously asked to quit, for there was no disposition on the part of Lord Keynes and his master, Mr. Winston Churchill, for these paltry parleys with a subject country like ours, which could in any case be dealt with the moment war is won, according to the sweet will of the Britisher who rules the City of London. Now, I hear of multilateral clearances of sterling balances between the United Kingdom, India, Egypt and other British wards. I was denied, again, a permanent seat on the Executive Committee of the International Monetary Fund evolved at Bretton Woods. I find the Bombay Plan of Economic Development almost literally poo-hoohed, though one of its signatories finds for himself a place on the Executive Council of the Governor-General, with what restricting influences surrounding him I know best as a working newspaperman at the headquarters of the Government of India.

I am asked to receive shiploads of whisky and beer, bicycles and electric bulbs, manufactured tobacco and countless varieties of other goods, when Bengal gave up three million dead on account of starvation and the country as a whole demanded food—that food which was being regularly rushed by the Allies to the liberated countries. This I say even as against the recent dribblets of food reaching us from abroad, after the conscience of the world

was stirred by the Bengal tragedy. Any democratic government known for this sort of callousness would have been hounded out of existence, but we in this country have a government which is a subordinate branch of His Majesty's Government and which is still as "wooden, iron and anti-diluvian" as Edwin Montagu found it a quarter of a century ago. I demanded the essentials of a national fiscal and tariff policy during war-time, which is capable of giving to me and my country the basic ingredients of an economy of plenty, commensurate with the possibilities of the present war period and definitely with the needs of the post-war period, and I find that I am given a series of appointments abroad like High Commissioners and Trade Commissioners to Australia and other parts of the world. I asked for pristine and unadulterated freedom in the economic sphere consistent with my obligations in wartime, and I find that these demands are contemptuously pushed away during these six war years. Today I know the prevailing mood and temper of Clive Street as well as the British official hierarchy in the Government of India, and I would not be far surprised if very soon we slide back into a *regime* bordering upon that of John Company before Queen Victoria assumed the Imperial Crown.

This is the regime of the *quid pro quo* which I find substituted most cleverly in the place of Imperial Trusteeship, the White Man's Burden, Preferred Markets and the policy of Open Door and Equality of Opportunity for all, *i.e.* for the competing economic Imperialisms, whose ghosts have not been

laid even after these six long years of bloodshed, and which would certainly re-emerge in some form or other, the moment a victorious peace is established for the ostensible benefit of man wherever he might be. But the theory of *quid pro quo* does not deceive me, despite the casuistry surrounding its enunciation and execution as a plan of approach by my masters to me and my country. British economic design in India today and tomorrow stands naked as a result of the might behind it, and I for myself have no *quid pro quo* to give to Britain, simply because I know, whether I like it or not (and I certainly do not like it), that Britain would take from me what she wants, and that I have only to wait patiently for the day when I am able successfully to resist these demands on me and my country.

I would now take up another set of new ideas represented by effective demand, multilateralism, and specialisation and national selectivity of productive endeavour, which have been sedulously propagated during these war years by such divergent bodies as the Royal Institute of International Affairs in London and the Economic and Financial Section of the League of Nations Secretariat which finds its war-time asylum in the Princeton University in the U.S.A. Professors and publicists have been pressed into service for the sole purpose of salvaging all that is left behind after the colossal destruction of material assets among the Western belligerent countries, and for laying down the foundations of a new Imperialism or a series of new Imperialisms of the Victor Powers, so that

both the U.K., and the U.S.A. and even the U.S.S.R. might go on merrily ever afterwards as the principal purveyors of capital and consumer goods to such parts of the world which, for reasons already adverted to, are not as yet in a position to become self-sufficient, even though as Victory comes nearer trade rivalry between the U.K. the U.S.A. and the U.S.S.R. is becoming clamant.

I do not wish to exaggerate the importance of the growing tension between the City of London and Wall Street in regard to the immediate capture, even as the war proceeds towards its climax, of foreign markets, preferably on a monopolistic basis, involving the division of the world into individual spheres of influence and, if necessary, on a cut-throat competitive basis which is capable of bringing either the U.K. or the U.S.A. to the pinnacle of survival. I have a shrewd suspicion that by the time the Peace Conference table is arranged and the delegates of the Victor and the vanquished Powers assemble for the solemn purpose of re-drawing the map of the world and re-defining national and international policies which are to serve as the groundwork on which the future comity of nations is to be based, Anglo-American trade rivalry would have reached its catastrophic climax. Lord Keynes has complained that if Britain does not export fifty per cent. more on the basis of the 1938 trade position, she would have to go under and become a fourth-class economic Power in the post-war period. Lord Keynes actually said: "otherwise England is sunk." His opposite numbers in the U.S.A. are

with glee that, thanks to the opportunities afforded by the war situation, American export trade *via* Lease-Lend and Reverse Lease-Lend, has been able to take American goods to almost every part of the world, cultivating the custom even of peoples who had never known American articles before but who are sure to claim continued access to them in the years to come. But, it is not my purpose here to delineate the already existing and the grave future conflict between Anglo-American economic and trade interests, which are bound to drag suppressed peoples and countries like mine, into an abyss from which it might well-nigh be impossible for one placed like me to pull myself out.

Why I refer to this Anglo-American trade and economic rivalry of the present and the possible future is for the simple purpose of establishing the fundamental point that even rival Imperialisms and rival economic programmes have one common purpose in view, *viz.* the keeping in permanent economic and, if necessary, political subjugation, of lands and peoples which had in the past been known as colonies or dependencies, almost in perpetuity. Indeed, there is a strange but revealing identity of approach in this Anglo-American rivalry to keep suppressed nations suppressed for ever, and hence the theories of effective demand, multilateralism, specialisation and national selectivity of production.

It is beyond my purpose on this book to enter into a doctrinaire disquisition on these high-sounding phrases and programmes of economic action which such redoubtable bodies like the Royal Institute of

International Affairs and the Economic and Financial Section of the League of Nations Secretariat have taken care to put across, if only to serve as a platform of approach to the determination of the relations of economically supreme Western Powers with countries like India. I cannot forget the fact that Article IV of the Atlantic Charter, which in any case has been denied very specifically by Britain to a country like India, enshrines the principle that "the signatories will endeavour *with due respect for their existing obligations* (*italics mine*), to further enjoyment by all States, great or small, victor or vanquished, of access, on equal terms, to the trade and to raw materials of the world which are needed for their economic prosperity". My only comment on this important Article of the Atlantic Charter, apart from repeating that Mr. Winston Churchill rejected the claim of India for inclusion in the Charter's benefits, is that I would underline the words "*with due respect for their existing obligations*". From the viewpoint both of logic and fact, the incorporation of this caveat denies what all benefits which the Roosevelt-Churchill diplomacy ordains for the countries vanquished in this war to the suppressed countries like India, for you cannot have respect for existing obligations (meaning thereby the preservation of the *status quo*) and still have a *regime* of economic justice for all.

The maintenance of the *status quo* in the economic and industrial organisation of the world on the pattern known to us as the legacy of the old Free Trade Policy of Imperial Powers, is a nega-



the right to equality of opportunity for economically backward and subject countries like ours. I suppose I should not be unduly disturbed in my mind about the inclusion of this *status quo* provision in Article IV of the Atlantic Charter, because I know definitely that, as long as Churchill and his coadjutors continue to be the rulers of England, there is not the slightest possibility for India to obtain whatever spurious benefits there might be in this Charter, and however much President Roosevelt might bleat his protest against its co-author, the British Premier, who does not wish to preside over the liquidation of the British Empire.\*

But I must take notice of the insidious character of the new preachings of professors and publicists gathered together by the Royal Institute of International Affairs in London and by the Economic and Financial Section of the League of Nations Secretariat (Prof. A. J. Brown, Professor Jacob Viner, Prof. Gottfried Haberler and Mr. Martin Hill), for I know that they have contrived to give old shibboleths new clothes, with the dexterity and even innocuousness which only a trained academic mind is capable of giving. I am told that there must be national selectivity in the production of goods as between one country

\*A London cable dated November 16, 1944, to the Indian Press, runs as follows: "At the International Business Conference the British delegation stated that the British will not consider altering the Imperial Preference Policy, until the U.S.A. and other countries sufficiently reduced their tariffs, and also until the United Nations set up a code of international economic behaviour and a permanent world economic organisation for general post-war investments, cartels, pacts and other business activities."

Comment on this is needless, for we in this country have already come to recognise the British protestations about the future in store for us.

and another, meaning thereby that the so-called predominantly agricultural areas of the world must remain predominantly agricultural, with the converse proposition following it up as a corollary, *viz.*, that industrial specialisation already achieved in certain areas must necessarily be fostered without relaxation or impediment. If this proposition is applied to my own country, as it was sought to be applied by the European Group in the Central Legislature, by the New India Planning Groups and its Former Director, my friend Dr. P. J. Thomas (which Groups I got liquidated in 1943 as a result of my consistent campaign showing up their utter stupidity), it would only mean one thing, *viz.*, that India would continue to remain for ever a predominantly agricultural country, because it had been my lot, as a result of long centuries of foreign domination, that I was prevented from laying the foundations of a balanced type of economy and was condemned to continue to "specialise" in a regressive type of agriculture with diminishing returns staring me in the face. Without raw materials, *i.e.* home-grown cotton, England and Japan could build up the most powerful textile industries ever known to the world, but I in my country cannot build up a ship-building or an automobile industry, even though I have the raw materials at my hand, simply because the U. K. and the U.S.A. happen to have had a start with them as the logical outcome of the industrial revolution, which as a historical fact happens to have taken birth in those countries. I feel that we in this country must destroy, and destroy mercilessly, this

pernicious theory of specialisation or national selectivity in productive action, for, without such destruction, it would never be possible for us to hope for the creation of conditions which would conduce to the emergence of a national economy of plenty, in which agriculture and industry march side by side as co-important partners.

Then, again, our friends the British and American professors and publicists tell us that international trade is guided by the principle of effective demand and that multilateralism is the only programme of approach which can successfully and purposefully regulate the overseas trade of the world after war is concluded. Here again, is another gift horse which I, placed as I am in my country, have to look in the mouth, not contemptuously but with a serious concern about my future. During all these long years of rival industrialisms in the advanced countries of the West and the East, the principle of most-favoured-nation-treatment has been developed as the only basis for the regulation of international trade, until organised autarchies developed in almost all the industrial countries of the world seeking to establish rival Imperialisms, on the principle that the flag follows the trade, with the result that the present international hostilities were unleashed six years ago.

This new theory of multilateralism as the economic pancea of the post-war world is, at all events, a verbal variation on the principle of most-favoured-nation-treatment which had figured so prominently in inter-statal commercial treaties and conventions before the last Great War, and to a

good extent during the inter-War period. The most curious thing about the most-favoured-nation clause or multilateralism is that, in so far as they keep down national tariffs, international trade is fostered, for both are based on the principle that individual countries grant and obtain reciprocal concessions on the basis that everyone who participates in this pool of concessions obtains equal treatment. Of course, I must remember that the entire basis of the Ottawa "Agreement" and the two Indo-British "Agreements", as imposed upon this country by the might of the United Kingdom, was the denial to the rest of the world of these equal reciprocal benefits which the United Kingdom, and to a lesser extent the other units of the British Empire and Commonwealth, enjoyed in our midst. If there are any sceptics who do not admit the validity of this proposition, they must only remember the relevant clauses of the Indo-Japanese Trade Conventions and Protocols of 1934 and 1937, which took care to see that the preferred markets in India for the United Kingdom and her supporting Dominions and Colonies were maintained sacrosanct. But this is in parenthesis. As an example of the bewildering contradictions of British economic and commercial policy towards India, I must mention that while multilateralism is stated to be the panacea for the problems of all countries, including India, the principle of multilaterality has been denied to us at the Bretton Woods Conference, which in 1944 created the International Monetary Fund and the International Bank, in so far as the question of the

speedy and smooth liquidation of Britain's war debts to India (miscalled India's sterling credits in London) was concerned. But, without contradictions there cannot be an Empire!

There are one or two considerations which I must dispose of while on this question. Friends ask me whether economic autarchy does not lead to Imperialism of some sort in the fullness of time. I would not be dishonest to myself by giving an absolutely negative answer to this very important question, but I have elected to limit my observations to the present and the immediate post-war periods, for, as one who has felt the unmistakable consequences of the choking grip of Imperialism and as one who wants to attain political and economic liberty, I have certainly no patience with problems which might arise a hundred years hence, or even for that matter half a century hence. By stating this, it is not my purpose to try to escape through the two horns of the dilemma involved in the question posed above. I am sure, I am treading very strong ground when I say that by her geographical configuration, the range and variety of sub-soils, the prevalence in out midst of varied resources which would be handy in the spheres of agriculture and industry, India's economic potential is far superior to that of even a country like the U.S.A. This is the reason why I, along with other students who claim to know what they talk about, have come to the conclusion that there need not be any aggressiveness at all about the economic development of this country.

To build up the heavy industries I require,

including a navy of supply and a navy of defence, would probably take half a century, if the objective before me is that India should become an Imperialist Power, but, as far as the approach of the patriots in this country is concerned, it is clear that, apart from obtaining self-sufficiency and a place for us in a world system which is based upon our inherent strength and self-respect, there is no possibility for India, even assuming that military and political power is annexed by us in process of time, to enter into military adventures abroad. I do not believe that even if Ceylon, and Burma and Malaya after Liberation want to come back and join in a confederation within India, we would be enthusiastic about it as a proposition, whatever might be the import of three long centuries of connection between this country and these countries which flank the Bay of Bengal. There are not publicists wanting in our midst who would like me to believe that the only possible future for us after war is to build up a defensive solar system, in which Burma, Malaya, Ceylon and, even for that matter, Indo-China and Java, would revolve round India as satellites participating in a pool of defence, which is capable of withstanding aggression from the East at any conceivable period in the future. This would be Imperialism, if India agrees to hold the babies of the former Imperial Powers, assuming that England, France, and Holland would surrender voluntarily their domination over the countries mentioned, after the last Jap is kicked out of them as a result of the present Allied drive to Tokyo.

But as I have already indicated, there is no aggressive implication behind the claim to economic liberty which every patriot in this country makes, first on England and later on the rest of the world. Competent economic opinion in India has come to the conclusion that, for a series of years after the war is over, the entire fiscal and tariff policy of the country, including the well-known but ineffectual policy of discriminating protection pursued by the Government of India during the inter-war period, would have to be completely re-organised. India is bound to become a net importing country, more of capital goods than of consumer goods, and surely there cannot be high tariffs with respect to the import of capital goods which are necessary for the building up of our industry and commerce on the basis of a *regime* of plenty and self-sufficiency. I refuse to believe that during the next half a century India would have acquired anything like the military potential needed for adventures in countries beyond our territorial borders. That is to say, it is my view that India would not be in a position, even if she wants (which she does not), to become Imperialist in her approach to the problems of the lesser countries of the Asiatic continent. A period of low tariffs, which is a postulate of India's future fiscal and industrial system, fits ill with any grandiose scheme of Imperialist adventure, which only a lunatic in this country might attempt to keep before his ken even as an academic proposition.

In the Memorandum on India's foreign trade recently done by me at the request of the Indian

Institute of International Affairs, and which is to be submitted to the British Commonwealth Relations Conference to be held in London during the cold weather of 1944-45, I have attempted to define the theory of self-sufficiency, which, I loathe to recall, has been consistently sought to be destroyed by prominent advisers of the Government of India during the preceding few years. I said: "It is to be emphasised that any conceivable form of economic autarchy, including a powerfully developed system of industry, e.g., under the Bombay Plan, does not necessarily mean the complete wiping out of imports and exports with a view to segregating into an economic Ghetto our country from world economy and trade. What is meant by economic self-sufficiency in India, at any rate as understood by the patriots of this country, is that we must have the right and the means to lay down a policy of action under which the maximum possible productive output is achieved, without in any way being hindered by the dumping of manufactured and semi-manufactured articles from abroad, by countries which have centuries of industrial and technological equipment behind them, and with which we on our part are not in a position to compete on equal terms. In other words, India should not be compelled to give preferred markets as a monopoly to any one outside, not excluding the United Kingdom and the British Commonwealth or Empire countries, simply because India happens to have been dragged into and kept under the sterling *bloc regime* on account of factors mostly political, against which we as a people and a



country were unable so far to successfully revolt. But this revolt is coming and would succeed in the fullness of time, with the result that the existing ideas of propriety of behaviour for India as laid down by our masters; *e.g.*, under the scheme of Ottawa Preferences later incorporated into the Indo-British Agreements, cannot be allowed to saturate the minds of our people, whose primary need is the evolution of a national polity and economic system which would give them the maximum opportunities for self-help and sufficiency, without at the same time endangering the commonweal of mankind."

I need not detain myself here with a further examination of the complexities of international trade which are bound to be faced by India in the post-war period, even on the assumption that at a recognisable future date there would be a National Government in this country, which would have the strength and wisdom to solve them in a manner best suited to this country. The only method which can be utilised by India to secure for herself that *regime* of plenty and self-sufficiency, without endangering the common weal of mankind, for which the essential ingredients are available in our midst and which every ardent Indian nationalist believes in, is the principle of bilaterality. I would like to deal with every country in the world, with which perforce I must have trade relations, with an open mind. I would give to the rest of the world what I can, in exchange for what I need and what I get out of it. That is to say, my approach to the problem of India's overseas trade and national

economy of the future is one of stark realism, in which gains and losses are to be poised and counterpoised with scientific precision and wisdom, which alone would enable me and my people to obtain what is most needed for giving me and them a roomier and happier life, which a *regime* of plenty and self-sufficiency alone can provide under any conceivable form of politico-economic national re-organisation. Nationalism has come to stay in India, as much as the demand for an economy of plenty has come to stay. But I have still to pay the price of self-sufficiency and survival, which I am sure I and my countrymen would not shirk paying, whatever the costs be in terms of self-denial and effort to pay rate during the early stages of national effort — as envisaged by us.

---

## CHAPTER IV.

### PRICE OF SURVIVAL

I believe that the time has arrived when the truth is told about the terrible price of survival, particularly in the economic sphere, which we have to pay, if we are to endure as a country and as a nation in a framework of international society which is bound to be motivated by cut-throat competition of the most merciless type, in which the fittest alone sits on the top of the rest. In the preceding chapters I have attempted to debunk the false internationalism of certain very eminent intellectuals and politicians of the land, and the misleading protestations of our masters who change the tune as events change their fortunes, besides exposing the new, false, sirens which are being blown towards us, in order that the gullible Indian public hearkens to them and continues to remain in slavery and degradation. There are, however, a few aspects of our national organisation, both in the political and economic spheres, which require immediate examination, and this is what is attempted below.

I have the disadvantage of drawing up this critique before the promised second part of the Bombay Plan is available. But a thorough examination of the basic approach of the Bombay Plan, coupled with a considerable amount of professional knowledge, which I was able to build up during the

past few months, of the trends of thought animating Big Business in this country, enable me, I believe, to have the confidence in writing what follows, as an approximation to the final ideological approach which is likely to be employed to problems of our economic reconstruction in the fulness of time. In parenthesis, I would like to say that the elevation of one of the signatories of the Bombay Plan, *viz.*, Sir Ardeshir Dalal, to the Executive Council does not necessarily mean the adoption by His Majesty's Government and the Government of India of the basic principles of that weighty document. On the contrary, I have got a shrewd suspicion that Sir Ardeshir Dalal's presence in the Government of India is more or less intended to by-pass some of the main objectives of the Bombay Planners, besides lulling us into a sense of false equanimity. Sir Ardeshir Dalal recently told the country that, if he were convinced that the planning of the Government of India is not in the interests of the people, he would vacate office. This is a statement which can give us only a strange comfort. But it is not my purpose here to attempt to preach wisdom to the Bombay Planners, even though I recognise the point that for two decades to come, at any rate, what has been written by the Bombay Planners is bound to be the basis on which ideological warfare would be conducted in this country. I am not also interested here in contrasting Comrade Roy's counter-plan to the Bombay Plan, for the simple reason that Comrade Roy, despite the much vaunted emphasis he has given to an *egalitarian* approach to

the organisation of society and the State in this country in the future, is not likely to be, even if he lives to the *Vedic* age of 100 years, the Viceroy or the President of India.

The Bombay Plan has for its main plank the industrial development of this country within a period of fifteen years at a cost of ten thousand crores of rupees, which is capable of trebling our national income, or doubling our *per capita* income. No one in this country denies that this is a grand objective to be reached by the people. On the contrary, I am impressed not only with the grandeur of the scheme, but also with the extreme desirability and necessity of bringing into immediate effect the trebling of national or the doubling of our *per capita* income, which is capable of giving to the half-starved and poverty-stricken masses enough purchasing power, besides letting in a little more light into their drab, uneventful earthly existence and endowing them with the means for living a self-respecting life.

One thing, however, which the Bombay planners have forgotten in their Memorandum is that their equations are based upon a purely money *nexus*. I am not at the moment looking into the mechanism of high finance, including what the Bombay Planners call the creation of "credit money" for financing their grand development or reconstruction plan for the country. But I would be failing in my duty if I do not emphasise the need for having a non-monetary approach to the problem of increasing the purchasing power of the community and its standard of living. I would not be foolish

enough to advocate a return, however remote it might be, to a system of glorified barter, taking us back to the pastoral economy known to the ancients the world over. But I must say that the purely monetary approach of the Bombay Plan has a tremendous number of snags in it, in so far as it does not ensure to the community the ultimate means for the purchase of goods and services in the quantity assumed or required, and with the quality necessary.

Let me illustrate my point. Today the money wages of the industrial labourer, or the *kisan* in the remotest possible village in the country, have certainly shot up (in some cases, including allowances of all sorts and the equation of cheap grain supplies and other consumer goods, to three to four times), but it is a tragic fact that in the sixth year of war the position of the wage-earners of this country is, despite this increase in monetary wages, tragically inferior to what it was before the war broke out. What I mean to emphasise here is the point that, in terms of measured access to goods and services and the enjoyment thereof, and in terms of a strengthening of their resistance to privation or want, the wage earner in India today is worse off than what he was before 1939. With the purchasing power of the rupee having gone down to as low as six or seven annas, it is unthinkable that the trebling of national or the doubling of *per capita* incomes, improves the lot of workers to the extent to which it would have been possible, if the purchasing power of the rupee

at a level consistent with the economic position in this country and in relation to the war-time conditions the world over. I have not the least doubt that today malnutrition, arising out of a deterioration in the quantity and the quality of food available to the community, even with the assistance of increased monetary incomes, is stalking the length and breadth of the land in a manner which was not known to us even with lower monetary incomes before the war. I should not be understood to mean that I am mixing up my argument with the tragic consequences arising out of the Bengal famine, and similar but lesser famines the country over. My facts and arguments are limited to the deterioration of the means available to the community to obtain access to goods and services, which even increased monetary incomes, *pari passu* the position obtaining five or six years ago, are unable to provide.

I have dwelt on this point at this length for the obvious reason that the Bombay Plan of rupees ten thousand crores is based upon war-time prices and, even though I do not deny that the prices structure would not go back to the pre-war position or any other equitable position as between India and the rest of the world immediately Peace is signed, it is obvious that these calculations are bound to be grievously wrong, in so far as the ensuring of the welfare of the community is concerned. On the other hand, with the Government of India in the hands of the British people, and in the certain knowledge we possess of the British approach to

the problem of economic and political reconstruction of India in the future, it is quite within the bounds of possibility—I would almost say certainty—that there would be a deflationist approach to economics in this country, even if it be in the name of stabilisation of prices. If such a thing comes, either through the deliberate design of the British to destroy the stimulated prosperity of this country during war-time, or on account of world-wide causes or movements in favour of a really genuine lower stabilisation of prices, it is clear that the calculations of the Bombay Plan are bound to be thoroughly upset, with the result that a re-examination must be made of the calculations on the basis of which the national income and the *per capita* income in this country are to be trebled and doubled respectively.

I concede the point that, with commendable patriotism, the Bombay planners have postulated the need for the formation of a National Government representative of the will of the people and in conformity with our national aspirations. It is not my argument here that since we did not have such a Government today, or simply because it might be that the advent of such a National Government might be delayed by international events or the deliberate design of the British people for some time to come, that planning in this country should be delayed or dropped completely for the time being. But, in view of the fact that the Bombay Plan has apparently influenced the activity of the authorities in India to embark upon their own departmental schemes for planning and development, even though in a lesser key as has



been made known to us in terms of the published papers of the Government of India dealing with education, agriculture, road development, etc., it is necessary that the dangers of a purely monetary *nexus* of approach to increasing the standard of living of the community must be exposed in full. The purchasing power of the community has a definite relation to the prices level internally and externally, even though the measuring rod of the purchasing power is the rupee, the pound sterling with which the rupee is linked, and the dollar which dominates the pound sterling in the international market. I wish that the Bombay planners, without forgetting the need for defining their Plan in terms of known monetary standards and values, had built up their argument and projected their edifice in terms of human enjoyment or, to put it in economic jargon, accessibility of goods and services to the community in sufficient quantity and with the requisite quality.

I regret, again, that I do not have before me the promised second part of the Bombay Plan, but I do know sufficiently about this proposed Plan which must perforce, as it is proposed it would, deal with problems of distribution in the future economic and social set-up for this country. It is, however, clear that a mere structural approach, so to speak, to the division or dispersion of produced wealth, is not all what is required in a society and an economy whose purpose is to become more or less *egalitarian* in character. I have shown earlier that, under the Bombay Plan of development and

reconstruction in the post-war period, there would be considerable additional accretions of purely monetary earnings to the community. But I have very clearly demonstrated that it is the ensuring of the purchasing power than a jingling of the coins in the pockets of the wage earner, meaning thereby the community, which is of primary account to us. The maintenance of the commodity price indices at equitable levels is of no less importance than the increase in money wages and a proper distribution of wealth. Industry might run away with it, if it is not controlled from mulcting the community through un-economic, meaning higher prices, for goods produced by the community itself with its own sweat and toil. Even from the purely structural angle of making it possible for a policy of equitable distribution of wealth being enthroned on a high pedestal, it is clear that prices must be stabilised along with the stabilisation of the purchasing power of the rupee both internally and externally on an equitable basis.

A proper attack upon the gigantic problem of distribution must be made here. To put it in simple words, the greater the hold of the community upon the organs of production, *e. g.* ownership and control of industry, the more equitable the organisation of society and economy is bound to be. It has been one of the bitterest sources of conflict between employer and employee that produced wealth is appropriated to an unjustifiable extent by Big Business or the *entrepreneur* class, even to the extent of passing on an unearned increment from genera-

tion to generation, *e.g.*, as from a father to his son in the thousands of houses of business which control production in almost every part of the world. To vary the approach, the problem of distribution of wealth, especially in a country like India, is a problem of the profit motive and private enterprise. That is to say, the more classical, in the sense traditional, the approach of the State to private property and capitalist form of production of wealth, the greater the inequalities in the distribution of the new wealth produced by the initial wealth, for the simple reason that the new wealth thus produced is not properly distributed among the sections of the community whose toil has made such production possible.

Even during the inter-war period, State socialism as a concept of economic thought and action did not have any terrors even to capitalist forms of society. The United Kingdom, which represents perhaps one of the finest forms of a capitalist approach to society and State, very gladly permitted herself a wide extension in the spheres of social activity under the auspices of the State and at the expense of the tax-payer. The enormous increases in health services, the gradual acquisition of ownership of public utility undertakings by local and provincial bodies, the creation of the Welwyn Garden City—these are some of the examples of the manner in which even the United Kingdom found it necessary and possible to de-capitalise the approach of the State to the community. A greater portion of this work was accomplished not by the

two abortive labour Governments which the United Kingdom had in her long history of Imperial capitalism, but by Conservatives themselves, a process which the present Government in the United Kingdom, under the stress of War, is extending from minute to minute. For, otherwise, the Beveridge Plan and the revised Beveridge Plan could not have been conceived. It is, no doubt, true that the United Kingdom seeks to have a system of poise and counterpoise or checks and balances for this process of what I have called de-capitalisation, and that she has been and will continue to be most anxious to secure the preservation of the profit motive, private property and *entrepreneurial* activity, so that her Empire might continue to exist till the end of time. I quite see the point that we in this country, without even the semblance of freedom, cannot possibly succeed in swimming against the tide, but it is clear that whatever I want to get done in this country, I must get it done on the basis of the principles I must evolve for myself and my fellows, and without any reference to what is happening or not happening beyond my territorial confines.

There has been some glib talk in this country recently concerning the manner in which the State should interfere in the organisation and control of the means of production. I have known economists in the pay-roll of Indian capitalists who have specially defined interests of their own, demanding the acquisition by the Government of India (obviously today) of equities in Indian shipping companies, ostensibly in the name of nationalisation of industry.

If I had known that the Government of India is reasonably nationalised in its character and that it is to make an effort to deal with every section of industry and commerce on an impartial national basis, I would not have any difficulty at all with an argument of this character, which, in default of the fulfilment of the two conditions I have mentioned, cannot but be called mischievous, and as intended only to spoliage the only key industry we have in national hands, even in the face of the continuance of foreign vested interests in our midst and of the British domination over the country in the political sphere.

I have recently noted the callous manner in which the Government of India contrived to transfer national assets, already in existence or to be created, to non-nationals of this country, and I cannot give a more effective illustration of this deplorable denationalising process, than the proposed fertilizer industry involving an expenditure of crores of rupees (even if part of the finance is to be found by the Government) to the Imperial Chemical Industries. The creation of additional vested interests in favour of non-nationals of this country is a process of approach to the organisation and control of our national economy which is bound to be resisted by patriotic Indians for all time. I know that the argument would be trotted out that, after all, the Imperial Chemicals are of the "India Limited" variety, meaning thereby that its capital structure and organisation are limited to this country only, and that it is no longer a question of what the late

Dadabhai Naoroji and William Digby used to call the invisible drain of wealth from this country, which enterprises of this character seek to perpetuate. It is, however, clear that, simply because we have accumulated in London a thousand crores of sterling credits and have thus become on paper a creditor country, our masters would like to kill the goose that lays the golden eggs, and to create new vested interests again in our midst blocking the path of India's national industrial expansion. I know the implications of the Statutory Railway Authority enshrined in the Constitution Act of 1935, which has precluded the nationalisation and control, in the accepted sense of the words, of Indian railways during the past several years. But I say that, even in the face of the Statutory Railway Authority, which is not amenable to the control of the Central Legislature either today or even after the advent of Federation, meaning thereby that it constitutes itself into an *imperium in imperio*, I would rather prefer the present Government of India building up, controlling and distributing commercial assets, e.g. the fertilizer industry, than British commercial houses assuming such functions in our midst again.

I believe I have digressed enough to show the dangers of insipid demands for nationalisation of industry or socialisation of the means of production, under the *aegis* of the Government of India which does not find its control or motivation in the will of the people. But there is no argument against the eventual nationalisation of the means of production by a sovereign ~~Nation~~

Government for the country, which is not only moved by passionate adherence to the real and enduring interests of the country, but is anxious to ensure the re-organization and re-construction of our social, political and economic conditions in a manner which would enthrone social justice on a high pedestal and guarantee the preservation of the foundations of the State against attack both from within and from without. The Bombay Planners must necessarily deal with aspects of distribution of the wealth to be created through a process of high-powered industrialisation and agricultural development in the future. But, unless they guarantee to the community that the proceeds of the sweat and labour of the toiling masses of India, harnessed as they are to the task of augmenting the accumulated wealth of the country, are to be accessible to all, in equitable proportion and not to be rolled into the pockets of the few, they would be defeated in their purpose.

I have, as mentioned earlier, in recent years, come into close personal contact with captains of industry in this country, both Indian and non-Indian, and I can say with honesty that I have attempted to know something of the inner character of the approach of the *entrepreneur* to production of goods and services. The initiative of the *entrepreneur*, his organising ability, his initial access to that essential modicum of wealth which alone can make conditions possible for the creation of additional wealth, his gregarious instinct which brings him into close contact with his fellow *entrepreneurs*, his endurance to withstand foul weather, and his tenacity of purpose to make

his enterprise yield that additional wealth to acquire which his initial attempt to organise industrial or commercial activity was taken in hand—these are attributes of a type of human being and his work on earth which must certainly deserve sympathetic consideration. It is also clear, from an examination of the present type of industrial activity as concentrated in the hands of the *entrepreneur*, that the profit motive is the essential basic principle governing production of wealth in this country, perhaps in a far more fundamental manner and to a greater extent than in any part of the world, barring perhaps China. How long this type of *entrepreneurial* activity is to continue in our midst is a question which I would take up presently. But I must state here, very clearly and emphatically, that even though I am not anxious to destroy that private initiative, which alone (in default of the existence of a national State and the re-organisation of industrial and social activity to levels comparable to those prevailing in advanced Western communities) can enable India to progress industrially and economically, there is the greatest possible need for limitation of industrial profits or the transference of large portions of newly-created wealth into the pockets of these *entrepreneurs*, so that the foundations will be gradually but definitely laid for the eventual emergence of a State and a community in which nationalisation or socialisation of productive and produced wealth become ultimately possible.

In particular, I am most anxious for the revision of the law governing the system of agency manage-



ment, which has become the equivalent of industrial and commercial activity these days. I need not bother to discuss the intricacies of this system which has become obnoxious in the eyes of our community. But I must say that the revision of the law relating to the system, which would limit the transference for the personal benefit of the *entrepreneurs* concerned, large slices of the annually created wealth in the country is an urgent necessity. Something has been recently attempted by the Government of India to see that the managing agency system, as known to the general run of joint stock companies in this country, does not permeate banking activity in our midst, but unless the entire run of joint stock companies is brought under the ambit of the law, which is capable of preventing the undue transference of the newly created wealth for the personal benefit of the promoters of industry and commerce, the position would remain faulty in the extreme.

There are complaints, and very genuine complaints at that, that the managing agents not only prevent the State from getting access to a justified portion of the newly created wealth, but that they also batten on the sweat and labour of the scrip-holder (the *rentier* of the classical school of economists), without also at the same time guaranteeing to them their just rights. Taking in hand the pure problem of distribution of wealth, I like to hazard the position in which the industrial wealth in other words the wealth on moment, is being fashioned: a suitably i

third to the State (assuming that the State would become more and more broad-based and completely national within a measurable distance of time) in terms of taxes, *etc.* for its legitimate activity in the cause of a progressive realisation of social justice in our midst; a third to depreciation, meaning thereby the creation of reserves and additional reserves in terms of the existing income-tax law and practice, with the sole purpose of ensuring replacement of obsolete machinery and the general reconditioning of industry which is subject to wear and tear: and a third to the *rentier* or the scrip-holder. in whose category the *entrepreneur* proper also falls. by virtue of the fact that he must have a considerable minimum number of shares in his personal possession before he can become the managing agent of a joint stock company or a partner in the managing agency governing the enterprise in question.

I know that my industrialist friends would tell me that a proposition like this is revolutionary in character. but the Bombay Plan of industrial development which is to triple our national income and double our *per capita* income, even if necessary with the assistance of created money, is nothing but revolutionary. and we as a people are living in revolutionary times requiring revolutionary methods to ensure our survival. I believe that a proposition of the type made above must command assent in the group of entrepreneurs. whose initiative and sustained work I am anxious to retain for sometime yet in order that the country is enabled to get out of the world's trap into the path of a giant and noble

nation. I am anxious that the captains of industry in the land obtain the support, based on conviction, of the community at large, and if their enterprise is to be allowed to progress from precedent to precedent in an untrammelled manner, and if they are to have the support of the community in their struggle with the State which is dominated by a foreign Government, a plan like the one advocated by me above is essential.

For, otherwise, at a time when the country needs development and is prepared to tolerate *entrepreneurial* activity, even on the basis of recognised profit motive as an essential link in economic organisation, the *entrepreneur* would be assailed on all sides, in particular through an upsurge both on the part of the worker who supplies the grist to the mill of his production, and of the consumer, meaning thereby the community in general, whom he is to mulct if his private profit is to be ensured to him and is to be put safely into his box, to the extent pre-determined on a basis of progressive de-capitalisation of economic activity which I have indicated. The obvious alternative to a proposition of this character is chaos, which the country and the people, placed as they are, cannot afford. This is one of the basic requisites of the distributional aspect of the Bombay Plan which would gain insistence in this country in the coming years.

I am not prepared to destroy, as yet, the profit motive, simply because I recognise the almost insuperable difficulties in the way of its immediate destruction. Firstly, I have to reckon with the

British occupation of this country. Then, there is the prevalence of the caste system, not only among the Hindus but even among the Muslims of India, with the result that economic activity is functionalised and maintained in almost water-tight compartments, giving rise to differential incomes necessarily accruing to various grades and types of individuals in the land, not necessarily on the basis of what has been termed Sakhanovism in modern U.S.S.R. (measurement of work in terms of real wages) but because of the simple fact that functional organisation of economic activity leaves the vast majority of the working people of the land in defined occupational *ghettos*. I again repeat that the time factor is as yet against the complete decimation of the existing order of things in this country, which a National Government alone can secure without ultimate detriment to the fortunes of the land and its people. even though I do not subscribe to the dictum of the inevitability of gradualness. That is to say, I would, even if necessary with unqualified patience, work cautiously and choose a middle path for myself and my country, in order that the switch-over from the existing lop-sided system of economic and social organisation to a more *egalitarian* form of things, which would ensure to the State and individual their just rights, is evolved without detriment to either.

The profit motive would be battered into death even in this country, by the inexorable process of the rising tempo of the *egalitarian* re-organisation and reconstruction of society and State, but I am

prepared to pay the price of its retention for the time being, since it is the only way, in default of the immediate establishment of a National Government, to bring about the progressive reduction of inequality in our midst. To me, planning and reconstruction, even of the variety of the Bombay Plan, are meaningless, if I do not go to the roots of the problem which lie embedded in the functional division without mercy and organisation of the society into so many watertight compartments. In my cynical moments, I almost feel the imperative necessity for the emergence of a religious or social revival in our midst, as a step precedent to the taking in hand of the gigantic task of economic and political rehabilitation of the land and its people. I would vary the metaphor and say that the abolition of religion *i.e.*, the religious aspect of socio-economic organisation among the Hindus and Muslims of this land, is the vital preliminary task I have to grapple with, before I can think of the successful taking in hand of the larger questions of economic and political freedom. State socialism, or nationalisation of productive activity, is worthless to me if I do not contrive, *by fair or even by foul means*, the destruction of this inequality between man and man on the basis of pre-ordination of birth, and the removal of the shackles riveted on me in terms of socially unjustified and economically impossible conditions of productional effort. The Bombay Plan is defective in my view from this angle of approach to the larger problem of the people, and I do sincerely hope that when the promised supplementary report sees the light of

day, this fundamental lacuna in its approach would be completely filled in.

I have already briefly referred to the position of the citizen in relation to State, which is almost the equivalent of the position of the consumer in relation to production activity, in the sense that the concentration in the hands of the State of the power to regulate fiscal and economic conditions ultimately governs the equation between the producer and the consumer, in terms of the availability of goods and services and their prices structure. The cry is going up in this country these days—in fact I have come across this even years before the outbreak of the present international hostilities—that the State and industry have indulged in a process of merciless mulcting of the community through a *regime* of protection, which was ostensibly intended for the initial establishment and the ultimate stabilisation of industries, even as against the competition of powerfully equipped countries the world over. That is to say, the charge has been made (which I believe cannot be disputed on merits) that the development of Indian industry, particularly during the past two or two and a half decades, was only made possible by the adoption of a policy by the State (which, however, I always considered to be patchy and unequal to the task assigned to it) of what has been termed discriminating protection, within the meaning of the Fiscal Convention of 1922, and the acceptance, at any rate during the initial stages, of this arrangement by the community itself.

prepared to pay the price of its retention for the time being, since it is the only way, in default of the immediate establishment of a National Government, to bring about the progressive reduction of inequality in our midst. To me, planning and reconstruction, even of the variety of the Bombay Plan, are meaningless, if I do not go to the roots of the problem which lie embedded in the functional division without mercy and organisation of the society into so many watertight compartments. In my cynical moments, I almost feel the imperative necessity for the emergence of a religious or social revival in our midst, as a step precedent to the taking in hand of the gigantic task of economic and political rehabilitation of the land and its people. I would vary the metaphor and say that the abolition of religion *i.e.*, the religious aspect of socio-economic organisation among the Hindus and Muslims of this land, is the vital preliminary task I have to grapple with, before I can think of the successful taking in hand of the larger questions of economic and political freedom. State socialism, or nationalisation of productive activity, is worthless to me if I do not contrive, *by fair or even by foul means*, the destruction of this inequality between man and man on the basis of pre-ordination of birth, and the removal of the shackles riveted on me in terms of socially unjustified and economically impossible conditions of productional effort. The Bombay Plan is defective in my view from this angle of approach to the larger problem of the people, and I do sincerely hope that when the promised supplementary report sees the light of

day, this fundamental lacuna in its approach would be completely filled in.

I have already briefly referred to the position of the citizen in relation to State, which is almost the equivalent of the position of the consumer in relation to production activity, in the sense that the concentration in the hands of the State of the power to regulate fiscal and economic conditions ultimately governs the equation between the producer and the consumer, in terms of the availability of goods and services and their prices structure. The cry is going up in this country these days—in fact I have come across this even years before the outbreak of the present international hostilities—that the State and industry have indulged in a process of merciless mulcting of the community through a *regime* of protection, which was ostensibly intended for the initial establishment and the ultimate stabilisation of industries, even as against the competition of powerfully equipped countries the world over. That is to say, the charge has been made (which I believe cannot be disputed on merits) that the development of Indian industry, particularly during the past two or two and a half decades, was only made possible by the adoption of a policy by the State (which, however, I always considered to be patchy and unequal to the task assigned to it) of what has been termed discriminating protection, within the meaning of the Fiscal Convention of 1922, and the acceptance, at any rate during the initial stages, of this arrangement by the community itself.



The community agreed to pay a higher price for Indian produced goods, in order that Indian industry emerges from out of its stage of adolescence and digs its roots into the land, and that it might face up to competition from without the country, and thus becomes in the process of time an asset to the land and the people. Actually, protection has meant, and still means, an additional tax upon the community, even though this addition is so made at the source and in terms of a prices structure that the consumer and the community do not, simply because they cannot, distinguish that addition to the economic or justified prices for goods and services rendered to them by the *entrepreneur* of the State.

I must make a reference, in parenthesis, to the romantic growth of the steel and sugar industry in the inter-war period, besides lesser industries like paper and match, which was only made possible by the price which the community paid, and paid willingly, in the wake of the growing political consciousness in its midst, which demanded the organisation of an economy which is capable of standing on its own legs even as against the prevailing grip of British Imperialism. As one who knows the statistical and functional approach to the organisation of these industries during the past quarter of a century. I must say that their present position constitutes a proud heritage to the people and the country. Numerous attempts have been made, including those of the present writer, at various stages during this short period of the past quarter of a century in the nation's economic endeavour, to

reduce these costs of protection in terms of a *per capita* assessment of the contribution made by the people, but, by the very nature of things, it is not possible to determine in terms of actual costs the contribution made by the community, or rather the mulcting of the community indulged in by these industries so that they might arrive at their present position. I know the costs of the community have been terrific, but who would not be proud of the establishment of industries like steel and sugar in our midst, which, out of conditions of virtual non-existence in terms of modern industrial standards, have come to a stage where they not only completely meet the internal demand, but also make it possible for the country to export steel and sugar from out of the surplus production available to us? I would not be far wrong in hazarding the guess that the community has paid in terms of higher prices for steel and sugar and other protected commodities hundreds of crores of rupees, making it possible for these industries to dig themselves in and to face the world four-square. Even though I recognise that, as a result of protection, we have kept within our country considerable amounts of money every year, which otherwise would have gone out, as in the pre-protection days, to foreign countries sending goods to us, and also that the organisation of industry has built up a wages fund which is distributed among the employees drawn from this country alone, I must repeat that the community has paid and paid heavily during all these years towards making this remarkable achievement possible.

I am not here interested in the old controversies concerning the halting character of the *regime* of discriminating protection which a British-controlled Government of India has conceded grudgingly, to a community which was surging forward with a nationalism, whose emotional approach has become a fundamental characteristic of our country's life during the past three decades. I am not also concerned here with the likelihood that, after the present international hostilities cease, there might not be for us the need to pursue a form of high protectionism which is capable of building up our economy, in terms of the measurable standards known to powerfully equipped industrial nations of the West. These considerations have their own place in any structural approach to the economic organisation of our country, but I am only riveting my attention here on the price which the community had paid, and paid willingly, during the last quarter of a century to make industrial development possible.

During these present six war years, Indian industrialists have fallen out of favour with the community, for the simple reason that, in the wake of a *regime* of controls and price fixation pursued by the Government of India to make their war effort possible, they were faced with temporary problems of short-supply, and that in the stampede thus created for them they lost their heads and indulged in a merciless system of black-marketing, which only meant that the consumer in India paid for Indian-made goods prices which are sometimes as high as five to ten times their economic or justi-

liable prices even under war conditions. The textile industry in this country in particular has become obnoxious in the eyes of the average man, on the ground that it has reaped a rich harvest of profit which no civilized Government would have tolerated. The control systems of 1944, with reference to textile industry, have naturally broken the back of this speculative and black-marketing structure of prices, but even today it is clear that the prices structure in the country is so lop-sided and extremely unjust, with the result that the old patriotism of the *swadeshi* days of 1905 and the boycott spirit of 1929-30 cannot be stated to exist in our midst. I regret and deplore sincerely the lack of forethought on the part of our industrialist friends who have almost looted the country with impunity, in terms of the unconscionable prices charged by them for their goods and services to the community. I do not intend to hold any brief for this unthinking type of parasitism and industrial larceny, but I venture to put in my caveat and state with conviction and confidence, born out of the knowledge of economic and industrial conditions in this country and the world over, that, when once Peace returns and this question is again discussed without passion and in the real interests of the country, the people would not grudge paying the price of protection, if it is to be paid for the benefit or the good of the community and the State. The guarantees must, however, be there, that there would be a National Government in our midst, to regulate economic activity in the interests of the community as a

whole, that industrialists would not indulge in the costly game of one-sided protectionism which only diverts into their pockets the proceeds of the sweat and labour of the community, and that there would be the assurance that the community and the State march hand in hand towards a goal of self-sufficiency, which is capable of making us strong and respected in the eyes of the world.

The price of survival which I have to pay is indeed very great. I have, first of all, to risk being misunderstood as a peevish and miserly worshipper of the Earth, which Providence happens to have endowed my forbears and myself with, to which I would like to cling with all the tenacity of purpose, which only something like even the obscurantist type of crusading spirit known to the Middle Ages can generate within me. I am afraid I would have to consider myself as belonging to a country and a people which must be treated in a category by themselves, different from the rest of the world, for the simple reason that two hundred years of foreign domination have succeeded in crippling my self-effort, which otherwise would have enabled me to make my country one of the respected Powers of the world, by the virtue of the fact that she is by nature blessed with resources and human material in a plenitude hardly ever equalled, potentially, even by modern U.S.A. and U.S.S.R. I would pay the price of my nationalism, in terms of being misunderstood by the world, in terms of respect of motives and facts, in terms of price on the altar of nationalism.

which I and my people can afford as a luxury at this moment in our national struggle for survival, would only become a subordinate and even sustaining agent of my nationalism which, certainly, is not aggressive in character.

I am prepared to confederate with the rest of the world, either be it in terms of a regional organisation for the countries contiguous to my territorial borders, or in a larger world commonwealth, if such a proposition ever becomes possible, on the sole condition that my territorial integrity as well as my political existence are not imperilled by such adhesion to regional or world associations. Any Indian with a pretence to knowledge of the events of the world these days would become sceptical of a proposition of this character in the light of the shameless system of Balance of Power and dominance by the Bigger Three countries in the world evolved at Dumbarton Oaks recently, which does not even consider the revival, with suitable modifications, of the League of Nations of the inter-war period, in which, at any rate on paper, the big and small Powers, including even dependencies like India, functioned at the conference table and thought aloud and acted alike. Even Dumbarton Oaks would not have had the temerity to shut me out from the conference table, if I and my people and my country were strong enough to gate-crash in to it, if such an unceremonial step was ever found necessary to secure for me admission into the portals of a world council on a basis of equality, honour and strength of resources. I am prepared to pay will-

ingly the price of my nationalism which would enable me to be listened to with respect by the rest of the world, even if in the process I have to be misunderstood as an isolationist Earth worshipper and even a stormy petrel who is prepared to cause a rift in the lute of the so-called international amity and understanding of the present.

I am prepared to pay the price of economic nationalism, which follows as an inevitable corollary of my political nationalism, even though I recognise that it is bound to be pretty heavy, in so far as it is likely to impinge upon the margins of resistance of the poverty-stricken, uneducated, unorganised and unlooked-after masses of my country. For example, I would not hesitate to pay the price of planning, even of the type incorporated in the Bombay Plan, with its provision for heavy direct and indirect taxation and heavier public debt, and which includes what has been termed "created money", transferring in the process enormous burdens to the future generations in this country, if that is one of the ways for me to achieve national self-sufficiency, in terms of the production of goods and services which would make me independent, because I know that in the long centuries of the industrial revolution which have kept me and my country as a country producing raw materials, depending upon the industrialised portions of the world for a variety of goods and services which, but for my political subordination, I would have been able to produce in my country without let or hindrance. Indeed, I would pay any price for securing conditions in my country

which would enable me to clothe and feed myself to the fullest extent possible, on the assurance that Nature has endowed what I call my Mother Earth with a potentiality which is unrivalled in the whole world, and which only awaits exploitation, in the generic sense of the word, by my fellows for the benefit of my own people. I would have admitted that I would be barking up the wrong tree in arguing like this, if I had the least doubt that a balanced type for our national economy, which is capable of clothing and feeding the people on a basis of self-sufficiency, has even the remotest possible snag in it as an article of faith or a cardinal principle of State policy for the present or the future.

I would not refuse to exchange my goods and services with the rest of the world, but I would do so only on my conditions, *viz.*, that I would not receive such goods and services which are harmful to my economic system and industrial organisation, enabling, in the process, the rest of the world to keep me under a *regime* of one-sided agricultural economy. I am prepared to pay the price of high protectionism, if I have still to pay that price, even though I know that after the war is over there need not be any heavy protection needed by this country, at any rate as far as the present indices relating to India's national economics demonstrate. I am prepared to pay this price of protection, even if by doing so I would be transferring, *for the time being*, certain slices of newly created national wealth into the pockets of the *entrepreneurs*, whom I have to retain as a stop-gap arrangement,



until a future National Government emerges which is capable of looking after the real needs of the country and her people. Indeed, I am prepared to pay the price of the profit motive and private enterprise, on the distinct understanding that the preservation of these two is a necessary evil and an essential step which I cannot avoid, if I have to build up my country and my people on a basis of economic strength and self-sufficiency, but I know, and the *entrepreneur* in this country knows, that once this *ad interim* period is over and the goal of self-sufficiency is reached, the mightiest possible struggle ever known to history for the abolition of inequality in our midst, would be staged, and that the *entrepreneur* himself would disappear, as he had disappeared in various countries in the world during the past three or four decades in particular. If the Indian *entrepreneur* does not realise this, I have not the least doubt that he would realise it through the inexorable process of time and the time spirit. I am prepared to pay the price of private enterprise in this country, which only means my supporting Indian enterprise, as against the perpetuation of vested interests represented by foreign enterprise which has dug its roots into this country as an auxiliary to the political domination which has reduced my freedom to almost nothingness.

I struggle to free myself from the shackles of a political system which has all but broken my spine, and I would struggle for reaching economic freedom or liberty, as a parallel approach to the stupendous task which would enable me to obtain survival for my country and my people in a world system



until a future National Government emerges which is capable of looking after the real needs of the country and her people. Indeed, I am prepared to pay the price of the profit motive and, private enterprise, on the distinct understanding that the preservation of these two is a necessary evil and an essential step which I cannot avoid, if I have to build up my country and my people on a basis of economic strength and self-sufficiency, but I know, and the *entrepreneur* in this country knows, that once this *ad interim* period is over and the goal of self-sufficiency is reached, the mightiest possible struggle ever known to history for the abolition of inequality in our midst, would be staged, and that the *entrepreneur* himself would disappear, as he had disappeared in various countries in the world during the past three or four decades in particular. If the Indian *entrepreneur* does not realise this, I have not the least doubt that he would realise it through the inexorable process of time and the time spirit. I am prepared to pay the price of private enterprise in this country, which only means my supporting Indian enterprise, as against the perpetuation of vested interests represented by foreign enterprise which has dug its roots into this country as an auxiliary to the political domination which has reduced my freedom to almost nothingness.

I struggle to free myself from the shackles of a political system which has all but broken my spine, and I would struggle for reaching economic freedom or liberty, as a parallel approach to the stupendous task which would enable me to obtain survival for my country and my people in a world system

